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Reports on Endangered Species Talks in Japan

On Ivory Trade Moratorium

OW1103014392 Tokyo KYODO in English 0120 GMT 11 Mar 92

["News Focus" by Ian McArthur: "CITES Facing Rich-Poor Dilemma Over Trading Principles"]

[Text] Kyoto, March 11 KYODO—The richer, developed member countries at the Convention on International Trade in Endangered Species (CITES) conference in Kyoto have two more days to come to terms with the demands of developing countries for a share in the profits their wildlife can bring them.

The debate underlying many of the developing countries' proposals at the conference, which ends Friday, over whether CITES member states should be allowed to use their wildlife for the economic benefit of their populations appears to have been sidelined.

Nowhere at the conference is this more apparent than during the sometimes emotional debate over the status of the African elephant.

A group of four southern African countries—Botswana, Zimbabwe, Malawi, and Namibia—withdrew a compromise proposal which would have allowed them to ease a moratorium on trade in ivory and other elephant products subject to the development of strict antipoaching measures throughout the region.

The four argued at the conference that other nations should not be allowed to dictate to them how they choose to exploit their elephant populations.

One delegate from Botswana told the conference his country has been losing potential millions of dollars in revenue since 1989 as a result of the CITES-imposed ban on ivory trade.

"Some of us have been asked to burn ivory while our populations are starving," he said.

But this argument failed to convince most CITES delegates, including a majority of African countries with elephants, who fear that in the absence of adequate antipoaching measures even a partial or gradual resumption of the ivory trade would be a signal to poachers to resume their activities.

But there was lingering resentment and frustration on the part of the four Southern African nations when they announced, in the face of this opposition, that they would withdraw their proposal.

That frustration appeared to stem from a lack of will on the part of opposing countries to offer financial help for efforts to preserve the African elephant.

Only Britain sounded a note of understanding when it said it would be giving a million dollars in the coming year toward the conservation of the elephant and urged other nations to do the same.

The four Southern African countries portrayed their cause as a fight for their right to earn a living from exploiting a wildlife resource.

It may have been no coincidence that these same four countries tabled a proposal for the adoption of CITES restrictions on the exploitation of herring. None of the four is directly involved in the herring fishing industry.

Although they denied any overt link between the herring issue and elephants, several delegates from the four allowed that it did serve to demonstrate to developed nations, the main consumers of herring, that their own wildlife resources are already the subject of expioitation.

One went to considerable lengths during debate to liken grouse hunting in Scotland to elephant culling in Africa, arguing that both were a form of sustainable utilization of a resource.

But after opponents of ivory trade resumption won the day, it was still apparent that the Southern African countries' pleas for understanding of their economic plight went largely unaddressed at the conference.

Botswana's delegate, speaking after their withdrawal of the pro-ivory proposal, said the four were "puzzled and saddened" by the reaction and hinted at a possible withdrawal from CITES.

"We must address the cost of remaining in CITES," he said. "We will review our membership in the interests of elephant conservation."

So far, the conference has failed to fully deal with the issue of commercial applications of wild flora and fauna, particularly examples found in developing countries, other than reacting with the application of restrictions or bans when species numbers diminish.

But a proposal from Ghana, Hungary, Israel, and Zambia for CITES to recognize that "consumptive commercial use" of wild flora and fauna is of equal importance to "aesthetic, scientific, cultural, recreational and other largely nonconsumptive uses" could change the direction of the debate in the remaining days.

That proposal asks that parties recognize that "use, including trade, in wild flora and fauna and products thereof may be beneficial to the conservation of species and ecosystems, providing that the species can sustain such use without detriment throughout its range."

If that principle is accepted, the four main African states which are home to the elephant may stand a better chance of getting their way at the next CITES conference.

On Restricting Bullfrog Exports

OW1103043992 Tokyo KYODO in English 0439 GMT 11 Mar 92

[Text] Kyoto, March 11 KYODO—Gourmet diners with a taste for frog legs gained a reprieve from possible restricted exports from the Asian region Wednesday.

The reprieve came during the eighth working day of the conference of member countries of the Convention on International Trade in Endangered Species (CITES) when a German delegate withdrew a proposal for stricter export controls over 42 species of Asian bullfrogs.

Indonesia is the main exporter of processed Asian bullfrogs, but India and Bangladesh also participate in the trade.

The species are also popular at markets throughout the South and Southeast Asian region.

The major importing countries are Belgium, France and the Netherlands.

A scientific study of the usage of the Asian bullfrog prepared for the CITES Secretariat said Indonesia now supplies 75 percent of the frozen frog legs exported to the European Community and 73 percent of exports to the United States.

The study estimated that in 1987, 60-82 million frogs were killed in Indonesia to satisfy the local and international markets, while "perhaps as high as 50 percent" of this total was "wastage" considered to be of insufficient quality for export.

The report also said that because of difficulties in identifying differences between protected frog species and those not protected, it is possible that an illegal trade in Asian bullfrogs is occurring.

But the German proposal met immediate opposition from several Asian countries at the CITES conference.

A Chinese delegate to the conference said China was not satisfied there is sufficient data to justify a CITES listing of the frogs on its Appendix II, a move which would require the application of export permits from countries of origin.

The head of the Indonesian delegation, Sutisna Wartaputra, told delegates that a recent increase in frog exports form his country has its origins in agricultural change.

Wartaputra said the frog population in his country had undergone a rapid increase in recent years as a result of an increase in the area devoted to rice paddies.

Germany then withdrew its proposal.

The CITES conference began on March 2 and ends Friday.

Japan

Tanabu Not To Attend OECD Ministers' Meeting

OW1103185692 Tokyo KYODO in English 1247 GMT 11 Mar 92

[Text] Tokyo, March 11 KYODO—Agriculture, Forestry, and Fisheries Minister Masami Tanabu will not attend an agriculture ministers' meeting of the Organization for Economic Cooperation and Development (OECD), a source at the Agriculture Ministry said Wednesday.

An adviser to the ministry will be sent on behalf of Tanabu to the meeting, scheduled in Paris on March 26-27 and the first of its kind in 10 years, the source said.

The source said Tanabu will not attend the session because the livestock industry promotion council will be deciding at that time the 1992 government guaranteed [words indistinct] milk used in milk products.

Another reason is that Tanabu has to make decisions on several bills at the end of the Japanese fiscal year in March, the source added.

However, there is a view in the ministry that the government should not send Tanabu to the meeting, where Japan will be forced to face increasing pressure from other countries to open its virtually closed rice market, the source said.

In the OECD meeting, agriculture ministers around the world, including U.S. Secretary of Agriculture Edward Madigan and Ray MacSharry, a member of the European Community Commission in Charge of Agriculture, are expected to discuss the problems of farm trade issues in the stalled Uruguay Round of multilateral trade talks.

Japan's virtual ban on rice imports is one of the obstacles in the talks.

Netherlands Trade Minister Meets Counterpart

OW1203132692 Tokyo KYODO in English 1059 GMT 12 Mar 92

[Text] Tokyo, March 12 KYODO—Dutch Trade Minister Yvonne Van Rooy on Thursday voiced a negative view over the recent U.S. proposal to the European Community (EC) on farm trade reform.

In talks with International Trade and Industry Minister Kozo Watanabe, Van Rooy termed the proposal "not so novel" as reported and "not so realistic" due to various conditions attached to it, a ministry official said.

Her remarks reveal how Washington and Brussels are split over farm trade reform, the stickiest issue in the stagnant Uruguay Round of global trade talks.

The proposal was made by U.S. Secretary of State James Baker in his recent meeting with EC chief Jacques Delors. Baker reportedly called his proposal very generous for the 12-nation trading bloc.

The details of the Baker proposal remain unknown, but it is reported that the suggestion features a U.S. compromise on domestic subsidies, one of the three types of farm subsidies under negotiations in the round.

The U.S. has so far opposed allowing the EC to exclude its planned income subsidies for farmers from farm subsidies subject to deep cuts envisaged in the trade talks.

FTC Proposes Raising Antimonopoly Penalties

OW1203025992 Tokyo KYODO in English 0242 GMT 12 Mar 92

[Text] Tokyo, March 12 KYODO—Japan's Fair Trade Commission (FTC) is to submit to the Diet a revision of the Antimonopoly Law that would raise the maximum penalty leveled against corporate violators to 100 million yen, FTC officials said Thursday.

The FTC decision to place the measure before the Japanese parliament follows approval earlier in the day by a panel of the ruling Liberal Democratic Party (LDP), the official said.

The revision would then be likely to come into effect during the next fiscal year starting April 1, they said.

The move is in line with a promise Japan made during the U.S.-Japan Structural Impediments Initiative (SII) talks, in which Japan pledged to raise antimonopoly penalties, the officials said.

The FTC would realize its goal of strengthening the law with the proposed fine hike, together with last year's increase in surcharges, as administrative punishments, they said.

But critics said the penalty increase is rather small compared with fines for violation of the Securities and Exchange Law, which underwent a hundredfold increase from the current 3 million yen to a 300 million yen maximum.

Criticism about the insufficient hike could come from not only the U.S. side but also from the domestic side, informed sources said.

Early this month, an FTC study group published a report calling for raising fines to hundreds of millions of yen for corporate violators, reasoning that current corporate penalties, which are the same as those for individuals, do not have much deterrent effect, the officials said.

Even before the FTC officially released its report, some LDP members and the business community were strongly opposed to an FTC recommendation about increased penalties, and there were once doubts whether the proposal could be presented in the current Diet session, the officials said.

In an effort to gain LDP approval, while still taking into account Japan's commitment to the U.S., the FTC greatly reduced its proposed penalty hike from an earlier recommendation of 300 million to 400 million yen, they said.

Company Expects Larger Loss After U.S. Fine

OW1203054292 Tokyo KYODO in English 0515 GMT 12 Mar 92

[Text] Tokyo, March 12 KYODO—Japan Aviation Electronics Industry Ltd. (JAE) said Thursday it now expects a larger loss for the current fiscal year due to fines levied on it by the United States for illegal sales of military technology to Iran.

The U.S. Justice Department on Wednesday fined the major Japanese defense contractor 15 million dollars for the illegal sales.

JAE will list the payment as an extraordinary loss, company officials said.

According to the the firm's new earnings estimate for the year ending March 31, disclosed after the U.S. action, its pretax loss in the year will total 3.3 billion yen, 900 million yen higher than its estimate made last October, the officials said.

They also cited such factors as a slump in the market for connectors.

JAE's latest sales projection is unchanged from its October estimate of 70 billion yen, they said.

JAE's net loss for the entire fiscal year is estimated to be up 300 million yen from the firm's earlier forecast of 3.3 billion yen.

The amounts of the projected pretax loss and net loss are the same.

JAE intends to use the proceeds of about 3 billion yen from sales of some of its land and buildings to subsidiaries to pay for the U.S. penalties and other extraordinary losses incurred by the firm, the officials said.

Russian Economists Discuss Nonruble Currencies

OW1203132992 Tokyo KYODO in English 1258 GMT 12 Mar 92

[Text] Tokyo, March 12 KYODO—Four Russian economists expressed skepticism about the possibility of currencies other than the ruble circulating in the former Soviet republics when they met with Japanese counterparts in a two-day seminar in Tokyo ended Thursday.

The Russian economists, representing the Commonwealth of Independent States, said plans by some former Soviet republics other than Russia to issue their own currencies should be viewed as "political tricks," said officials of the Economic Planning Agency.

The seminar was organized by the agency to allow economic planners from Japan and Russia to exchange views on economic issues in the commonwealth.

According to the agency officials, the Russian participants told the Japanese they could not imagine anything but the ruble serving as a hard currency in the former Soviet republics, as Russia is at the center of trade among them.

During the seminar, the Japanese proposed selling food and medical aid from Western industrialized nations to soak up an overabundance of rubles in circulation and raise funds for development of key industries, they said.

The Russian economists reportedly expressed strong interest in the Japanese proposal, which is based on Japan's post-World War II experience, they said.

Foreign Minister Pledges More Cambodian Funds

OW1203090592 Tokyo KYODO in English 0841 GMT 12 Mar 92

[Text] Tokyo, March 12 KYODO—Foreign Minister Michio Watanabe said Thursday that Japan will pay more than its mandatory share for United Nations peacekeeping activities in Cambodia.

Speaking at a session of the House of Representatives cabinet committee, Watanabe said he did not think Japan's current annual 12.45 percent assessed share of U.N. operations is sufficient to help restore Cambodia.

The government will prepare an additional fund to aid Cambodia, he said in response to questions by Shun Oide, a member of the Social Democratic Party.

The overall cost of the U.N. Transitional Authority in Cambodia (UNTAC) is estimated to reach 1.9 billion dollars. An additional 900 million dollars is required to finance efforts to repatriate refugees and reconstruct the war-devastated country.

The Foreign Ministry reportedly wants to contribute 24.9 million dollars, which matches Japan's annual assessed U.N. contribution rate.

Watanabe's comment indicated that Japan is ready to pay more than its mandatory share toward the 900 million dollar fund for refugee repatriation and reconstruction, political sources said.

Under the Paris peace agreement signed by warring factions to end the 13-year Cambodia war, UNTAC is to work with the Cambodian Supreme National Council in peacekeeping, disarming the factions, and supervising a general election slated for 1993.

Watanabe also told the committee he will file a protest with Russia against a recent agreement between Russia and South Korea which allows South Korean fishing boats to operate within the 200-mile zone around Russian-held northern islands off Hokkaido which Japan claims.

"I will lodge an official protest against the accord when Russian Foreign Minister Andrey Kozyrev visits Japan," Watanabe said. Kozyrev is to arrive in Japan March 20.

Depending on the results of talks with Kozyrev on the territorial dispute, Watanabe said he plans to visit Russia in May or June.

The four islands—Kunashiri, Etorofu, Shikotan, and the Habomai islets—were seized by the former Soviet Union at the end of World War II and now are under Russian jurisdiction.

Japan has said the return of the islands is a prerequisite for the conclusion of a peace treaty and full bilateral relations.

Polish Delegates Study Wage Negotiation System

OW1203043392 Tokyo KYODO in English 0351 GMT 12 Mar 92

[Text] Tokyo, March 12 KYODO—Poland will study ways of introducing the Japanese style of labor-management negotiations in a bid to stabilize society, a senior Polish Government official said Thursday.

Andrzej Baczkowski, undersecretary of state at the Labor and Social Affairs Ministry, told KYODO NEWS SERVICE he is impressed by the way Japanese employers and employees hold negotiations on wages and labor conditions every spring.

This kind of a formula of labor-management wage negotiations is good from the standpoint of social stability, Baczkowski said.

"I want to study ways of introducing this formula to Polish labor-management negotiations after I return home," he said.

In Poland, employers and employees have no regular labor negotiations, said Baczkowski, adding that he hopes such negotiations could be held without having a negative impact on production.

He proposed promoting exchanges of Labor Ministry, Trade Union Confederation, and business personnel between the two countries.

Mitsubishi Receives Tire Plant Order From Iran

OW1203050092 Tokyo KYODO in English 0402 GMT 12 Mar 92

[Text] Tokyo, March 12 KYODO—Mitsubishi Heavy Industries Ltd. (MHI) said Thursday it has received an 11 billion yen order for a tire plant from Iran's Artaweel Tire Co.

The order was won through Mitsubishi Corp., Japan's major trader and the core company of the Mitsubishi Group, MHI officials said.

They said the firm received a bank letter of credit equivalent to the total amount of the contract.

The order includes 37 tire curing presses and 17 tire manufacturing machines, capable of producing one million tires a year, they said.

It also calls for the supply of such equipment as internal mixer lines, rubber extruder lines, bead lines, tube lines, compressors, and boilers, they said.

The final piece of equipment will be delivered by June 1993, they said.

The tire plant to be built in Ardavile, 450 kilometers northeast of Tehran, will be completed in June 1994, they said.

Ueno Submits Resignation to Lower House Speaker

OW1203051192 Tokyo KYODO in English 0455 GMT 12 Mar 92

[Text] Tokyo, March 12 KYODO—Kenichi Ueno, a Social Democratic Party (SDP) member of the House of Representatives, submitted his resignation as a member of parliament Thursday to lower house Speaker Yoshio Sakurauchi.

On Wednesday, the SDP approved Ueno's resignation from the Diet after he was found to have accepted financial help from a scandal-ridden golf course and resort developing firm.

Ueno's resignation is expected to be approved at a plenary session of the lower house Friday evening, parliamentary sources said.

Ueno acknowledged that the scandal-ridden Mariya Corp. had paid the salary of one of his political secretaries.

The company's de facto owner, Toshio Someya, has been arrested for alleged drug possession.

Someya was also reported to have received financial help from a boss of a major organized crime syndicate, the Sumiyoshi-kai, in cornering shares of a major textile firm.

LDP, Opposition Parties To Resume Reform Talks

OW1203131092 Tokyo KYODO in English 1206 GMT 12 Mar 92

[Text] Tokyo, March 12 KYODO—The governing Liberal Democratic Party [LDP] and three noncommunist opposition groups agreed Thursday to revive as soon as possible a consultative body to discuss political reform measures, officials said.

The agreement came after Shin Kanemaru, vice president of the LDP, met separately with Social Democratic

Party chairman Makoto Tanabe, Komeito chairman Koshiro Ishida, and Democratic Social Party leader Keigo Ouchi.

Kanemaru was seeking the opposition parties' cooperation in swift enactment of the government's budget for fiscal 1992, which starts in April, LDP officials said.

On Tuesday, the three opposition parties and the United Social Democratic Party (Shaminren) presented the LDP a joint proposal to revise the fiscal 1992 government budget bill. They demanded a tax cut for low-income earners and a defense spending cut.

Kanemaru and the three opposition leaders remained divided over the oppsition demand for a revised budget bill but agreed to seek the early enactment of the budget to buoy the country's slowing economy.

They agreed to resume debate in the consultative body on political reform soon after the budget bill clears the House of Representatives as early as Friday.

The consultative body was set up in October to continue discussing political reform after three government-proposed bills on political and electoral reforms were killed in the Diet.

The failure of the three bills led Prime Minister Toshiki Kaifu to abandon his bid for reelection as LDP president, a post which carries with it the premiership.

Kiichi Miyazawa, who replaced Kaifu as prime minister in November, accelerated his campaign for political reform in February in an apparent effort to shore up rapidly declining public support for his cabinet.

The opposition camp has also urged the LDP to carry out political reform measures in the wake of a series of political scandals involving Diet members from both ruling and opposition parties.

In the meeting with Tanabe, Kanemaru stressed the need to exchange views on political reform between ruling and opposition parties, the LDP officials said.

Ishida called on Kanemaru to abolish political donations from companies and organizations, and Ouchi called for a step-by-step approach toward political reform, according to the officials.

Kanemaru and the three opposition leaders also agreed to hold such separate meetings once a month from now on to discuss various political matters.

Daiwa, Tokyu Questioned About Stock Trading

OW1203103192 Tokyo KYODO in English 0914 GMT 12 Mar 92

[Text] Tokyo, March 12 KYODO—The Finance Ministry [MOF] on Thursday started questioning officials of Daiwa Securities Co. and the Tokyu Group of companies over potentially illegal stock trading, ministry officials said.

The investigation centers on a compromise settlement the Tokyu Group reached with Daiwa to settle a dispute arising from a practice known as "tobashi," or stock shuffling, in industry jargon.

The settlement called for Daiwa to compensate Tokyu for roughly 80 percent of the total damages Tokyu suffered through the trading.

Under the trading, a brokerage transfers securities held in the account of one client to that of another to prevent appraisal losses on equity holdings from appearing in it financial report.

Ministry officials said there is suspicion that the transactions in question stemmed from illegal stock repurchase agreements to guarantee fixed yields on investments.

Under such an agreement, a brokerage repurchases securities at a certain price on a certain date.

Such agreements, allowed for bond trading, are banned for stock trading under the Securities and Exchange Law.

Ministry officials said they believe the transactions in question involve stock repurchase agreements, promising returns of 92.2 billion yen on investments of 90.5 billion yen.

Tokyu officials said they were unaware of the potentially illegal nature of the deals, which they said were arranged by brokerage officials.

The officials said annual yields of about 10 percent were promised in the deals.

Daiwa has denied any wrongdoing on the part of the company, blaming the trading on certain officials who conducted it without consulting the company management.

The Finance Ministry is investigating Daiwa's internal inspection system and possible involvement of higher officials, noting the practice has continued for three years.

BOJ's Mieno: Prices Moving in Good Direction

OW1203073692 Tokyo KYODO in English 0707 GMT 12 Mar 92

[Text] Tokyo, March 12 KYODO—Bank of Japan (BOJ) Governor Yasushi Mieno said Thursday that gloomy business sentiment shown in a recent survey will not lead the central bank to change its view of the economy.

The bank's "tankan" [short-term observation] survey of business sentiment, released last Friday, showed worsening business sentiment.

But Mieno reiterated his view that there is little possibility of the economy turning down rapidly.

Speaking at a regular press conference, he said the BOJ will "continue monitoring the effects of discount rates cuts implemented last year."

He said he does not intend to change his view that the monetary stage has already been set for a domestic economy recovery as a result of past reductions in the benchmark lending rate.

Mieno also said prices are moving "in a good direction."

For the time being, the central bank will closely watch developments in corporate capital spending, Mieno said.

Claims Rate Cut Not Necessary

OW1203080392 Tokyo KYODO in English 0743 GMT 12 Mar 92

[Text] Tokyo, March 12 KYODO—Bank of Japan Governor Yasushi Mieno said Thursday the Japanese economy continues to slow, further dampening business confidence, but that a cut in the discount rate is not immediately necessary.

The central banker also said there is a "large gap" in perceptions of the strength of the U.S. economic recovery between major central bankers and the currency market.

Mieno, who returned Wednesday from a monthly meeting of the Bank for International Settlements in Basel, Switzerland, told a press conference that the Japanese economy's phase of adjustment is deepening as inventory adjustment has come into full swing.

"The corporate mind is also assuming more cautiousness," he said, referring to gloomy sentiment reflected in the BOJ's recent "tankan" [short-term observation] quarterly survey of business confidence.

But he stressed that the risk of the economy plunging into a deep trough is extremely small, dismissing widespread expectations of an imminent cut in the official discount rate.

Mieno said the tankan survey did not cause the BOJ to change its view that monetary conditions are sufficiently conducive for guiding the economy into a sustainable growth without inflation.

"We think we have already done all that is necessary, including the psychological front," he said.

"We would like to continue watching the accumulative effects on the economy of the monetary easing since July."

Mieno said the central bank had well foreseen the current sharp inventory adjustment at the time when it last lowered the official discount rate December 30 to 4.5 percent per annum.

While refusing to make a guess on when the inventory adjustment will be over, Mieno said, "it is picking up speed, and clearly headed for an end."

"I don't see any danger that final demands will take a sharp downturn, and inventory adjustment will steadily proceed to an end as the soft production continues," he said.

Mieno also said the fiscal 1992 budget and the government's fiscal investment and loan program will provide an additional boost to the economy as the budget bills pass the Diet.

"That will set both of the two wheels of the economic policy working together."

Mieno said it was unlikely the central bank would have to change its view on the monetary conditions in the near future.

His remarks came as expectations peaked in the market and business circles for a further cut in the benchmark lending rate.

In his comments, at least, the central banker clearly dismissed such expectations, reiterating that the current slowdown is inevitable for the Japanese economy to shift to a balanced growth.

He said slow money supply growth is "natural" in a slowdown phase, and emphasized that the BOJ alone is responsible for monetary policy, sniping at calls by politicians for monetary easing.

But history shows that his words do not necessarily reflect the real intention of the central bank, dealers noted.

For example, just a couple of days before the December 30 rate cut, Mieno said in an interview he would not change his monetary stance for the time being.

Despite Mieno's repeated rebuffs to expectations of further monetary easing, the financial markets have already fully discounted another cut in the rate, dealers said.

"The market has almost put a 0.5 percentage point cut behind it," said Toshihiko Takahara, a bond trader at Credit Suisse. "It is now focusing on whether a larger cut can come."

Mieno also said the BOJ has no intention of calling for a change or delay in the implementation of capital adequacy requirements by the Bank for International Settlements (BIS).

"I don't think the BIS requirements are seriously restricting lending by Japanese financial institutions," Mieno said.

The BIS requires international banks to boost their capital to at least 8 percent of risk-weighted assets by 1993.

Asked about Japan's resurging trade surplus, the central banker said the surplus has been returning to a "normal" level after extraordinary drops in 1989, which he said were caused by special factors like the yen's weakness, rising oil prices, and surging imports of luxury goods.

The present level of the current account surplus is around 2 percent of the nation's gross national product, down from a peak of 4.4 percent.

Mieno said that level was not far from one accepted internationally. "I don't think the surplus is likely to further expand sharply," he said.

Stimuli 'Essential' for Trade Surplus Cuts

OW1203053592 Tokyo KYODO in English 0519 GMT 12 Mar 92

[Text] Tokyo, March 12 KYODO—Galvanizing the limping economy is essential for boosting Japan's imports and thus remedying the increasingly tense Japan-U.S. relations, a top-ranking official of the Ministry of International Trade and Industry (MITI) said Thursday.

Delivering a speech in Tokyo, Noboru Hatakeyama, MITI's vice minister for international affairs, said Japan has no choice but to increase imports to maintain friendly ties with Washington, but the faltering economy serves as an obstacle in doing so.

"The national economy is in a serious slump, while bright signals are emerging for the U.S. economy," he said.

"This is the worst situation for us to improve the bilateral trade imbalance."

Hatakeyama called for proper engineering of the macroeconomy, saying microeconomic import-promotion measures such as financial and tax incentives alone are not enough to slim Japan's trade surplus.

His remarks reiterated views of MITI chief Kozo Watanabe and other senior ministry officials that the economic slowdown has reached a point where economic stimuli, including a further interest rate cut, is needed to reinvigorate domestic demand and increase imports.

Economic Policy Based on Pump-Priming Measures

OW1203132892 Tokyo KYODO in English 1102 GMT 12 Mar 92

[Text] Tokyo, March 12 KYODO—A broad business-stimulation policy the government is expected to work out soon will be a detailed version of five pump-priming measures announced last week to shore up the slowing economy, a top Finance Ministry official predicted Thursday.

The measures, announced March 5, include early implementation of public works projects.

The official, who asked to remain anonymous, suggested that the government will be careful in deciding when to announce the policy.

He expressed displeasure at the recent rise in the value of the yen on the foreign exchange market, suggesting Japan will coordinate with other countries to correct the situation.

MITI Instructs Oil Industry To Cut Prices

OW1203105992 Tokyo KYODO in English 1040 GMT 12 Mar 92

[Text] Tokyo, March 12 KYODO—The Ministry of International Trade and Industry (MITI) Thursday instructed oil refiners, wholesaler, and retailers to cut prices of oil products in line with the expiration of an extra oil tax at the end of this month, ministry officials said.

The instruction, given in a written notice sent to five major oil industry trade groups, aims to reflect the abolition of the one-time oil tax in prices of oil products, the officials said.

The government introduced the oil tax surcharge last April in order to raise funds for Japan's contributions to the Persian Gulf war.

The extra tax is 1,020 yen on crude oil per kiloliter and 335 yen on imported liquefied petroleum gas per ton.

Oil industry sources said retail prices of petroleum products such as gasoline, kerosene, and light oil would fall as much as 1 yen per liter after the extra oil tax expires because demand is seasonally weak in April.

They also cited an expected lifting of government-imposed oil refining quotas as serving to push down prices of oil products.

MITI is expected to abolish such regulations by the end of this month.

World Bank Official Warns Against Pollution

OW1203130492 Tokyo KYODO in English 1211 GMT 12 Mar 92

[Text] Tokyo, March 12 KYODO—The head of the World Bank's environment department urged developing nations Thursday to heed the pleas of citizens affected by pollution from development projects and the opinions of nongovernmental organizations (NGOs) helping such victims.

Mohamed el-Ashry called on developing countries to follow the bank's new guidelines obligating governments to insure that bank-financed projects in their countries do not damage the local environment or the health of local residents.

El-Ashry, chief architect of the 1991 guidelines, issued the appeal at a news conference at the World Bank's Tokyo branch.

The guidelines require that recipient nations compile and make public documents on advance assessments of possible damage from industrial projects financed by the bank.

"A major requirement for any development project to be supported by the bank is that recipient government would consult with...people affected by that project in that environmental assessment," el-Ashry said.

"The guideline says specifically that, if that government does not agree to doing that, then the bank would not continue the discussion of the project with that country," he said.

El-Ashry is currently on a six-day visit to Tokyo for talks with Japanese Government officials and NGO environmentalists ahead of the UN earth summit set for June 1-12 in Rio de Janeiro, Brazil.

He expressed hope that Japan will live up to the international community's expectations that it take a major role at an April meeting in Tokyo of politicians and business leaders from developed countries.

Participants at the April 15-17 Tokyo gathering, given by Japan's former Prime Minister Noboru Takeshita, will discuss how to share the financial burden of measures to counter the threat of global environmental devastation.

Former British Prime Minister Margaret Thatcher, and former World Bank presidents Barbar Conable and Robert McNamara are expected to attend the conference.

El-Ashry said it is the responsibility of the Japanese Government to persuade some Japanese corporations to stop polluting in developing countries.

"I want developing countries to learn from our lessons so that they may not repeat them," he said.

He called for greater cooperation with the World Bank's global environmental facility initiative, which provides grants for investment projects, technical assistance and research.

The program has commitments of 1.3 billion dollars from industrial donors and the money is to be used to explore ways to help developing countries protect the environment and to transfer environmentally safe technologies.

To cite an example, he drew attention to a successful Brazilian project of generating power from plants and animal wastes in an effort to minimize the release of carbon dioxide into the atmosphere, which is the main cause of global warming.

North Korea

Statement on U.S. 'Threat' To Search Ship

SK1203103792 Pyongyang KCNA in English 1013 GMT 12 Mar 92

[Text] Pyongyang March 12 (KCNA)—The spokesman of the Foreign Ministry of the DPRK issued the following statement on March 11:

According to foreign press reports, the U.S. Administration is discussing "forced search" of a peaceful ship of the DPRK and has made preparations to apprehend it, alleging that it is sailing for Syria with Scud-C missiles aboard.

As to this scheme of the U.S. Administration, the world public is warning that if such "forced search" were carried out, it would endanger the improvement of the DPRK-USA relations over which the United States is loud-mouthed, because it is "entirely unreasonable" to stop a foreign ship in the high seas and it is an "illegal act contrary to common sense" and an "apparent violation of international law."

If such discussion and moves of the U.S. Administration about "forced search" of our ship by U.S. warships in the high seas are true, it is obviously another grave encroachment on the sovereignty of the DPRK.

It cannot be construed otherwise than an act to fake up a fiction and find an excuse for putting pressure on the DPRK and unleashing another war on the Korean peninsula.

We cannot but link it to such intention of some U.S. quarters that the United States is raising a terrific outcry over the "imminent development of nuclear weapons" by the DPRK and trying to convince world public that the DPRK is intending to manufacture nuclear weapons and hide them with a "delaying tactics" although the problem of nuclear inspection of the DPRK is being settled through a smooth course.

It is very ill-boding that U.S. high-ranking officials recently flew into South Korea one on the heels of the other and had frequent secret confabs with the South Korean authorities for "taking counter-measures as regards nuclear inspection" of us.

When the clouds get dark, it rains.

It is a trite method of the war provocateurs to invent a false pretext and startle the world people with a shock to justify their war manoeuvres.

The world is now watching with uneasiness the United States bringing unjustifiable pressure on us over the nuclear inspection problem and revealing its intention of "forced search" of our peaceful ship.

The threat of the United States to stop our ship sailing in the high seas and make a "forced search" of it is a

wanton violation of the international convention on the guarantee of a free sailing in the international waters.

Such act against a peaceful ship in the high seas can never be allowed in view of international law or moral point of view and this has become a target of denunciation worldwide.

Worse still, the U.S. warships which were reportedly dispatched for the implementation of economic sanctions against Iraq are trying to act privileged "international gendarme" on the open sea. This is an act to encroach upon the sovereignty of another country and attain its aggressive aim by abusing U.N. resolutions.

We will never allow any act of infringing upon the sovereignty of our republic and insulting the dignity of our people.

We advise the U.S. authorities to ponder over the matter, clearly mindful that they will be held entirely responsible for the grave consequences arising from "forced search".

We strongly demand that the United States renounce its prejudice against our republic, respect our sovereignty and immediately give up its attempt at illegal "forced search" of a peaceful ship of ours.

U.S., ROK Military 10 Mar Exercises Reported

SK1203045592 Pyongyang KCNA in English
0427 GMT 12 Mar 92

[Text] Pyongyang March 12 (KCNA)—The U.S. Pacific Airforce Command on March 10 sent formations of Pacific-based nuclear-capable fighter-bombers to the sky above Tokjok Island, Kunwi and Yoju of South Korea for a joint nuclear aerial strike exercise to hit targets in the strategic depths of the northern half of Korea in cooperation with nuclear-capable fighter-bombers belonging to the U.S. Seventh Airforce, according to military sources.

On the same day, the U.S. imperialists also sent a U-2 high-altitude strategic reconnaissance plane and various types of army tactical reconnaissance planes to the sky above areas along the Military Demarcation Line to commit electronic espionage on the northern half of Korea and overall aerial espionage on the coastline and frontline areas of our side.

In a separate development, the South Korean puppets staged an exercise on the same day with the sea around Tokjok Island in the West Sea as the theatre for the purpose of increasing the capacity of surprise strike at targets in the landing posts, supporting units in a landing operation and expanding the battle results to the depths under the cover of formations of fighter-bombers and assault planes.

More than 600 warplanes and over 150 warships were mobilized in the war exercises that day.

Remnants of Cold War Era 'Must Be Removed'

SK0703153392 Pyongyang KCNA in English
1511 GMT 7 Mar 92

["Remains of Cold War Era Must Be Removed"—KCNA headline]

[Text] Pyongyang March 7 (KCNA)—It is the common task of mankind to remove all the remains of the cold war era, stresses NODONG SINMUN in a by-lined article today.

What is most urgent in this is to completely do away with those on the Korean peninsula which has been the most dangerous firing-point in the world and which remains as the last traces of the cold war today, the article says, and continues:

To force the U.S. imperialist aggression troops out of South Korea as early as possible is a foremost demand in eliminating the remains of the cold war age.

The U.S. authorities, however, intend to continue the presence of the U.S. Forces in South Korea and keep hold on it as their strategical forefront and forward base for an indefinite period.

The United States has emerged as a sole super power with the collapse of the structure of confrontation between the East and the West which had existed for more than 40 years and with the destruction of the balance of strength. On the contrary, the Soviet Union broke up and ended its existence. Under this condition, talking about "expansion" and "invasion" is no more than an absurd sophism.

"Threat of invasion" from the North persistently clamoured about by the U.S. imperialists cannot go down with anyone. This preposterous sophism of the U.S. imperialists went bankrupt today when a new phase for peace and peaceful reunification has been opened on the Korean peninsula.

The adoption of the North-South agreement whose effectuation was declared some time ago and the DPRK's decision to undergo nuclear inspection by the International Atomic Energy Agency through legal procedures clearly prove once again the falsity of the "threat from the North" and new "nuclear threat" on the lips of the U.S. imperialists.

The U.S. authorities are defending themselves by contending that the U.S. troops remain in South Korea as the South Korean people "want". This is a nonsense. The South Korean people are holding anti-U.S. rallies and demonstrations and conducting the massive signature campaign demanding the withdrawal of the U.S. troops.

The presence of the U.S. troops in South Korea is a constant factor of creating tensions on the Korean peninsula and a main hurdle in the way of the independent and peaceful reunification of the country.

Whether the United States withdraws its troops from South Korea or not will verify the true intention of the U.S. authorities who announced the "termination of cold war" and "advent of a peaceful era".

Policy To Improve Living Standards Examined

SK1003153092 Pyongyang KCNA in English
1508 GMT 10 Mar 92

[Text] Pyongyang March 10 (KCNA)—The Workers' Party of Korea and the government of the DPRK recently adopted a policy on increasing state purchase prices for some agricultural products to boost cooperative farmers' income through distribution.

Under this policy the purchase prices of rice and maize, main agricultural produce, were raised 26.2 and 44.8 percent respectively.

The Workers' Party of Korea and the DPRK Government which regard it as the supreme principle of their activities to promote well-being of the people have augmented the country's economic might by building the socialist self-supporting national economy and, on this basis, consistently pursued various popular policies to steadily improve the people's living standard.

The party and the state have shown particular solicitude for the peasantry.

The state gave on many occasions financial and material assistance to the impoverished peasants to improve their living conditions after the war. It relieved peasants of their tax burden for good and all by totally abolishing the agricultural tax in kind in 1966.

In March 1964, a law was promulgated to undertake with state investment the productive construction such as irrigation facilities, thrashing ground, stable, storehouse, rural power station and electric facilities which had been built by cooperative farms with their own funds and, in addition to this, to let farmers use free of charge state-funded modern dwelling houses.

In one decade since the law came into force, the state built over 83,000 productive facilities and distributed them free to cooperative farms.

More than 957,000 dwelling houses were built in rural areas with state investment in the period from 1964 to 1980.

Recent years witnessed the appearance of large numbers of modern rural dwelling houses across the country. Several thousands of houses were built in rural villages around Pyongyang, Yongjon-ri, Pukchong County, South Hamgyong Province, Okhyon-ri, Unpa County, North Hwanghae Province, and Pyonghwa-ri, Panmun County, Kaesong Municipality.

State fund was channelled into production, supply and repair of all types of farm machines for the comprehensive mechanization of agriculture.

Peasants also receive various benefits from the state such as compulsory free education, free health care, spending holidays at rest homes and recuperation at sanatoria.

Particularly, thanks to the enforcement of the social security system for the cooperative farmers which has been in force since 1986, peasants receive old-age pension, pension for those disabled, pension for bereaved families like workers and office workers.

The state defined the working-class leadership over the peasantry, industry's assistance to agriculture and support of town to country as a main principle for the solution of the socialist rural question. It annually increased investments in the agricultural field to boost peasants' material living standard.

Investment in agriculture rose 6.5 percent in 1990 over 1989 and 5.6 percent in 1991 over the previous year.

Today agricultural working people of Korea enjoy an affluent cultured life free from worries about food, clothing and housing thanks to the daily increasing popular measures of the party and the state.

Investment in Railroad Transport Increasing

SK1103152092 Pyongyang KCNA in English
1500 GMT 11 Mar 92

[Text] Pyongyang March 11 (KCNA)—Korea is increasing investment in railway transport to lay many new lines while switching over to electric haulage on the existing lines.

Now the construction of new railways including the Pyongnamonchon-Namdong line and the project of broad gauge railway between Haeju and Ongjin and between Singangnyong and Pupo are under way, and electrification projects are progressing in sections of more than 400 kilometres including the Manpo-Hyesan, Pyongsan-Kaesong and Sunchon-Kaechon lines.

Before the liberation of the country the railways of Korea mainly ran from north to south and from east to west. Railway lines were scarce in the inland areas.

The great leader President Kim Il-song defined the railways as the arteries of the country, the pilot of the national economy, in the first period after the liberation and has paid deep concerns to the development of railway transport.

He saw that the country's railway networks were formed and electrified in such a manner that they would develop the national economy and boost the people's material and cultural standards of living by strengthening the links between towns and villages, and between the raw material sources and production and consumer areas and closely connecting regions.

Thus, after the liberation, new lines were laid in many areas including the Tokchon line, the Anju-Kaechon line

and electric traction was introduced on the Yangdok-Chonsong and Kaego-Koin lines which are steeply inclined and heavy in traffic.

With the construction of many new lines in more than 40 years after the war, the total length of the railway lines has increased 3,360 kilometres as against 1946. Thus, grand ring-shape railroad networks linking the south to the north, the east coast to the west coast, and the northern inland areas to other parts of the country from Pyongyang to the river Tumen Sinuiju, Kaesong, Wonsan, Hyesan and so on, has taken shape.

And the trunk and branch lines and lines branching into factories and enterprises extending thousands of kilometres have been electrified.

In the past ten odd years, electrification of over 1,500 kilometres has been completed.

A unified transport system by electric locomotives has also been successfully set up.

The proportion of freight haulage by electric locomotives has reached 90 percent or more.

The traffic capacity has jumped 2.3 times in the past decade.

The Kim Chong-tae electric locomotive complex, the June 4 rolling stock complex and other railway factories have expanded their production capacity and further modernized their technical equipment. Now 7,800 h.p. eight-axle electric locomotives, 2,500 h.p. diesel locomotives and 080-ton heavy-duty wagons, and other types of locomotives, railway coaches and wagons are massively produced.

Facilities of station precincts are being modernized and light rails replaced with heavy rails.

Organizations in Japan on Closer Pyongyang Ties

Women's Group Urges Relations

SK0903224492 Pyongyang KCNA in English
1501 GMT 9 Mar 92

[Text] Pyongyang March 9 (KCNA)—Representatives of the Kyoto Japan-Korea Women's Society called at the official residence of the Japanese prime minister and the Foreign Ministry on February 27 and strongly demanded an early normalisation of diplomatic relations between Japan and the DPRK.

Fukuno Ishitsubo, director of the women's department of the Kyoto Prefectural Headquarters of the Japan Social-Democratic Party, was among the visitors, accompanied by Yukio Takemura, Social-Democratic member of the House of Representatives, and Son Yong-hui, chairman of the Kyoto Prefectural Headquarters of the Democratic Union of Korean Women in Japan, and others.

They handed to officials concerned a request sent to the Japanese prime minister and foreign minister.

The request strongly urged the Japanese Government, firstly, to establish diplomatic relations at an early date by honestly approaching the negotiations for Japan-DPRK diplomatic relations, secondly, to fully compensate for the past colonial rule, thirdly, to make reparation for the sufferings and damages inflicted upon the Korean nation and, fourthly, to guarantee the human rights of Koreans in Japan by enforcing a correct history education, etc.

Gifu Association Appeals for Ties

SK1203050192 Pyongyang KCNA in English
0433 GMT 12 Mar 92

[Text] Tokyo March 10 (KNS-KCNA)—Delegates of the Mizunami, Gifu Prefecture, association for Japan-Korea friendship in Japan on March 5 strongly urged the government authorities to realize the normalization of Japan-DPRK diplomatic relations at an early date.

The delegates of the association including Akiyoshi Anto, member of the Mizunami City Assembly, Gifu Prefecture, and Yasuo Yamashita, Social-Democratic member of the House of Representatives, called at the official residence of the prime minister and the Foreign Ministry and handed to officials concerned a request addressed to the prime minister and the foreign minister.

The request supported the three-party joint declaration of the Workers' Party of Korea, the Liberal Democratic Party and the Social-Democratic Party of Japan, demanded an early normalization of Japan-DPRK diplomatic relations and strongly urged the Japanese Government to approach with a more sincere attitude the inter-governmental negotiations and accelerate the realization of Japan-DPRK diplomatic relations in the spirit of the three-party joint declaration.

Mountains Said To Be Opening to ROK Tourists

OW0903162692 Tokyo KYODO in English
1505 GMT 09 Mar 92

[Text] Tokyo, March 9 KYODO—North Korea will open its two mountain areas to South Korean tourists on May 1, a private North Korean travel agency representative said here Monday.

The Kumgansan International Group will enable South Koreans to visit directly by ship, the first such link between the divided country, or by plane via Japan, Park Kyung Youhne [spelling as received] told a news conference.

Park said final arrangements must be made between the governments of North and South Korea, and expressed her hope that Seoul will take steps to meet the May 1 startup date.

Package tours will be operated to Mount Kumgang and Mount Paektu in the north for the time being, with routes to be decided through negotiations with Seoul, Park said.

Kumgansan International Group is already negotiating with several travel agencies in South Korea over the tourism plan, Park said, adding that a South Korean subsidiary may be set up soon.

The North Korean travel agency will start working as an agent to facilitate tourist visas for South Koreans, Korean residents in Japan and Japanese tourists beginning May 1, she said.

Park, a Korean who holds U.S. citizenship, is the first to open a private travel agency in Pyongyang. The North's first such business already has a Japanese subsidiary, the Tokyo-based Kumgansan International Tourist and Service Co.

A South Korean official said in Seoul the same day that South Korea will not allow economic cooperation or personnel exchanges with the North until the issue of international inspection of nuclear facilities is resolved, South Korea's official YONHAP News Agency reported.

North Korea is now under intense international pressure to allow nuclear inspections by the International Atomic Energy Agency (IAEA).

The official was quoted by YONHAP as saying both North and South Korea must make institutional preparations for such a plan.

South Korea

Demonstrator Injured at U.S. Culture Center

SK1203012992 Seoul YONHAP in English 0108 GMT 12 Mar 92

[Text] Kwangju, March 12 (YONHAP)—A student who collapsed during a street protest Wednesday [11 March] night and slipped into a coma regained consciousness early Thursday morning after an operation on his head.

Yi Song-chol, 20, a business administration major at Chonnam National University, was among some 400 anti-government, anti-American student demonstrators in the center of the city when he collapsed while fleeing a tear gas barrage, a police spokesman said.

Yi was taken to a nearby hospital, where he underwent surgery and was pronounced in coma. He emerged from his coma at 5 o'clock in the morning.

Students who witnessed the incident claim Yi was hit in the head by fragments of a tear gas canister that exploded beside him, but the police deny this scenario and have promised a full investigation to find the real cause of the sophomore's collapse.

The spokesman said the students were hurling about 300 firebombs and stones at police as they marched toward the American Cultural Center in the center of the city, so the police fired tear gas to disperse them.

U.S. Demands on Financial Market Plans Eyed

SK1203041792 Seoul TONG-A ILBO in Korean 11 Mar 92 p 7

[Article by reporter Yi Kyu-min: "Lack of Preparation Has Thrown Financial Markets Into Great Crisis"]

[Text] Due to persistent U.S. pressure our government will present an across-the-board blueprint for full opening of the financial market at the negotiating table of the fourth ROK-U.S. financial policy talks to be held in Washington. The plan for the liberalization of the financial market is unprecedented in that it is so comprehensive and specific. This basically shows that our government is incapable of withstanding U.S. pressure.

The U.S. Government is so interested in our country's financial market because our country has a financial market on a scale as attractive to foreign investors as those in Japan and Taiwan.

In particular, changing its bargaining stance of focusing on individual pending issues in its demands on Korea, the United States has recently begun talking about across-the-board liberalization of the financial market and even realignment of the financial structure, increasing the difficulties for our government.

The government has no choice but to keep the timetable it has presented to the United States side for the financial market liberalization, signaling a great deal of difficulty and chaos ahead if our country fails to prepare our financial market for it.

In particular, if our government agrees to the free international movement of capital, to which the United States ultimately hopes Korea will agree, our country is expected to experience great difficulties in its basic economic system, including the balance of international payments and interest rates of the domestic banks.

Moreover, providing foreign investors with equal access to the domestic financial market increases the concern that the foreign banking institutions may try to sway the domestic stock market.

In addition, even the underlying documentation, which has served as a device to keep foreign banks from doing spot foreign currency transactions, is expected to be eased as part of the financial market liberalization. This may lead to the revival of foreign banking institutions speculating on spot foreign currency transactions.

Some in the government insist that our liberalization of the financial market serves as an opportunity to develop the domestic financial market, arguing that given the

global trends, Korea has no choice but to open up its financial market and, therefore, it had better be prepared domestically for the future.

The problem is that despite our government's concessions as such, the United States still finds some of the liberalization timetable unsatisfactory. There is still a possibility that Korea and the United States will begin feuding again because the United States is expected to call for Korea to hasten the timetable and expand the areas of liberalization when Korea presents a specific and phased plan for liberalization.

Businesses Yield to Pressure

SK1203033292 Seoul THE KOREA HERALD in English 12 Mar 92 p 8

[From the "News Analysis" column by Yi Kap-su]

[Text] Yielding to mounting U.S. pressure for a speedier opening of the domestic financial market, the Korean Government has offered a series of measures to open the capital market to the U.S. side, even though Korea still suffers from strong inflationary pressure, high interest rates, and trade deficits with foreign countries, including the United States.

It is the first time that the Korean Government has presented to the United States a timetable of a full-scale opening of the domestic financial market.

Despite Korea's positive action, however, the United States is unlikely to loosen its tight reins on the Seoul Government for a wider and speedier market deregulation in the future, analysts here say.

Washington's strong push for further liberalization of Korea's financial market seems to stem from the fact that Korea's domestic capital market, along with Japan and Taiwan, is one of the most attractive markets in Asia, they say.

The U.S. financial policy shifting from the past requests for adjusting specific financial matters to the demands for the sweeping structural adjustment and the liberalization of all the financial sectors is also driving the Korean Government into a corner.

In the Washington talks, Yi Hwan-kyun, chief of the Korean delegation pointed out that Korea's trade with the United States dipped into the red recently, and that Korea's financial industries are still too weak in competitive power to accept the U.S. demand for market opening.

The United States, however, reiterated its earlier position, demanding clarification of Korea's capital market regulations, further liberalization of foreign exchange and securities industries, and increases in the amount of loans in Korean currency that foreign banks are allowed to extend in this country.

Yi told the U.S. side that Korea would open its capital market in short-, medium-, and long-term stages depending on the nation's economic conditions such as its international balance of payments, consumer prices, and market interest rates.

Nevertheless, the U.S. pressure is expected to be harsher than ever before in the months ahead, as evidenced by the fact that a push for a wider liberalization of the financial markets was high on President Bush's agenda during his recent visit to Seoul.

One striking point among the results of the fourth financial policy talks is the Seoul Government's decision to place foreign financial institutions operating here on an equal footing with domestic financiers within this year.

The decision, if implemented, would allow foreign stock-brokerage houses with huge amounts of operation funds to invest in Seoul stocks, up to 5 percent of a company's shares, instead of the present 3 percent.

The foreign stock ownership ceiling will be raised up to 10 percent for foreign insurance companies and banks operating here.

This would enable foreign financiers to dominate the Seoul stock market and the management of Korean enterprises if they want to do so, stock analysts here say.

Relaxing foreign exchange regulations contained in the first-phase market opening program is also expected to provide foreign banks with enough room for engaging in exchange speculations, disturbing the domestic foreign exchange market, they say.

But the Korean Government seems to have no option but to open its financial market wider in keeping with the global trend of liberalization. Under these circumstances, both the government and business circles will have to get ready for the wider opening, they say.

Unification Minister on U.S., Japan Cooperation

SK1103121692 Seoul YONHAP in English 0702 GMT 11 Mar 92

[Text] Seoul, March 11 (YONHAP)—The South Korean Government will try to coordinate closely with Japan and the United States to link the North Korean nuclear issue with Pyongyang's efforts to improve relations with those countries, Unification Minister Choe Ho-chung said Wednesday.

South Korea will give top priority to North Korea's acceptance of outside inspection of its nuclear facilities as a necessary condition for the improvement of relations between the South and the North, Choe said.

Choe, who is also deputy prime minister, spoke at a luncheon given by the Korean Council for Foreign Relations at a downtown hotel.

At the same time, the government will work for exchanges of letters, meetings and eventual reunions of members of separated families, Choe said.

Due to North Korea's internal affairs, Choe said, the government will offer a gradual solution to the problem by proposing initial exchange visits by people of advanced age, meetings at the truce village of Panmunjom and exchanges of letters.

North Korea was interpreting the three basic principles for the unification of the country confirmed in the inter-Korean accords in its own way, he said.

Since the sixth inter-Korean prime ministerial talks, North Korea interprets "independence" in the agreement to mean the withdrawal of U.S. troops and exclusive nationalism, "peace" to mean instant disarmament, and an end to "national confrontation" to mean nullification of the National Security Law, Choe said.

This kind of interpretation, Choe added, underscored the fact that North Korea was not ready to carry out the letter and spirit of the inter-Korean agreements. It also indicated that the North Korean regime was going to maintain a closed-door policy in order to keep its political system intact, Choe said.

Choe pointed out, however, there was room for North Korea to accept some of the conditions spelled out in the agreement, including economic cooperation.

Inter-Korean relations, therefore, would develop gradually through various joint bodies to be set up under the accords, following the resolution of the nuclear issue, Choe said.

Inter-Korean 'Peace Charter' Considered

SK1103142192 Seoul YONHAP in English 0628 GMT 11 Mar 92

[Text] Seoul, March 11 (OANA-YONHAP)—The truce and inter-Korean reconciliation agreements might be combined into one "national community charter," or a "Korean commonwealth peace charter," Vice Unification Minister Yim Tong-won said Wednesday.

Yim told executives at a breakfast meeting hosted by the Federation of Korean Industries (FKI) that the government was considering combining the two agreements into one charter to regulate the process of settling peace according to the principles of the Korean national community unification formula.

"It may be possible that our government plays a leading role in renovating the infrastructure of the joint-venture industrial complexes in North Korea to secure a foothold for an advance by private enterprises," he said.

He said the problem of Pyongyang's nuclear weapons development would be solved in a few months because of the economic pinch the North is in.

The government had prepared guidelines for exchange with and investment in North Korea in preparation for improvement in inter-Korean economic relations after solving the nuclear problem, Yim said.

The Tumen River area development project had to be pursued as an international cooperation project in Northeast Asia due to its enormous cost, he said.

"It is desirable that North and South Korea undertake cooperation in light industry and export-potential fields above anything else," Yim said. "Inter-Korean direct trade will continue to increase but contracts and payments will be made through a third country for the time being."

Some 200 FKI members attended the meeting.

South Approves Increase in Commodity Trade

SK1103124392 Seoul YONHAP in English 0923 GMT 11 Mar 92

[Text] Seoul, March 11 (YONHAP)—South Korea approved over 13 million U.S. dollars in commodity trade with North Korea in February, up from 2 million dollars a year earlier, according to data released Wednesday by the National Unification Board.

It said approvals amounted to 13,773,000 dollars, purchases from the North were 12,154,000 dollars and sales reached 1,619,000 dollars.

Purchases included zinc ingots, frozen scabbard fish, cement, billets and seven other items, but the only item shipped to the North was a plastic sheet for agricultural use.

All 24 commodity exchanges were undertaken via third countries—12 by Hong Kong, eight by Japan, two by China and two by Singapore.

Also in February, 85 personnel exchanges were authorized by the Unification Board, including 42 in the economic area, 22 for reunions of dispersed families and 10 for academic contacts.

South To Exclude 'Strategic' Items in Trade

SK1103141392 Seoul YONHAP in English 0544 GMT 11 Mar 92

[Text] Seoul, March 11 (YONHAP)—The South Korean Government is expected to exclude strategic items from a list for trade with North Korea and curb investments in North Korea in areas with strategic applications, a high-ranking government official said Wednesday.

Joint ventures, trade and investments that could be exploited by North Korea for strategic purposes might be affected, particularly in oil refining and special steel production, Vice Unification Minister Yim Tong-won told businessmen at a breakfast meeting organized by the Federation of Korean Industries.

"South Korea's main imports from the North will be mineral and agro-fisheries products, while the majority of North Korea's imports from the South will be daily necessities, textiles and electronics items," he said.

Fields of economic cooperation in which Seoul would push ahead energetically would be textiles and footwear as well as non-military projects such as exploration of tourist resources, Yim said.

Economic relations with North Korea should develop in full consideration of politico-security aspects along with economic feasibility, so the South would encourage economic cooperation by putting equal importance on such pending issues as reunions of separated relatives and exchange of cultural information, he said.

He stressed the importance of signing an investment protection and double taxation avoidance treaty with North Korea in order to promote economic relations, and said Seoul would make every effort to get economic coperation recognized as internal trade by the international community.

GATT Expected To Avoid Korean Trade Issue

SK1203122492 Seoul YONHAP in English 0754 GMT 12 Mar 92

[Text] Seoul, March 12 (YONHAP)—South Korea does not plan to bring up the question of recognizing inter-Korean trade as internal trade at the General Agreement on Tariffs and Trade (GATT), Ambassador to Geneva Pak Su-kil said Thursday.

"This is not a matter to take to GATT," Pak said, denying that the government planned to apply for a waiver from GATT's most-favored-nation [MFN] article in order to get inter-Korean trade recognized as trade within a single country.

"South and North Korea have a unique relationship. We are not separate countries," Pak told a press conference.

There was no talk within GATT of bringing up this particular issue, the ambassador said.

"We have to see this issue within the framework of pursuing Korea unification. There is no need to take it to GATT," he said. "The government does not plan to do so."

Recent reports said other countries had complained about inter-Korean trade, which is conducted as tariff-free internal trade. They said these other countries had claimed that Korea must either get a GATT waiver from the MFN article or levy customs duties on traded goods.

The United States had brought up the issue, but officials were voicing complaints by private farmers' groups and not reflecting the general opinion of the U.S. Government, Pak told reporters.

"Countries that are directly affected by inter-Korean trade will certainly express their opinions, but the majority of GATT members understand Korea's situation," he said.

The ambassador said he would continue to meet with his North Korean counterpart in Geneva to discuss cooperation at international forums. Pak had a three-and-half-hour lunch with North Korean Ambassador Yi Chol early last month.

"As Foreign Minister Yi Sang-ok reported in the New Year briefing to the president, we are stepping up inter-Korean cooperation at international events and discussions," Pak said.

Pak said he and Yi had talked about the transfer of power from North Korean President Kim Il-song to his son, Kim Chong-il.

"Li said Kim Chong-il has already taken over most executive responsibilities, and it is wrong for Western officials to think that a separate formality is required to hand over power," the ambassador said.

They have agreed to meet once a month, and it is Yi's turn to be host. Their second meeting will probably be soon after Pak returns to Geneva.

The ambassador said that the chances of meeting the April 15 deadline for concluding the Uruguay Round negotiations were "very slim" and the talks might have to go on until the deadline of May next year.

Pak confirmed that South Korea could not accept GATT Director-General Arthur Dunkel's proposal for tariffication without exception, saying it could not open its rice market.

Students Plan 'Sister Relations' With North

SK1203060492 Seoul KYONGHYANG SINMUN in Korean 11 Mar 92 p 18

[Text] This year, the National Council of University Student Representatives [Chondaehyop] has decided to wage "a movement to set up sister relations between North and South universities and between departments in the universities" under the joint auspices of Chondaehyop and the Korean Student Committee of North Korea. It is likely that such a decision by Chondaehyop will create friction with the government's public security authorities, however, which regard the movment as a violation of the National Security Law.

Chondaehyop chairman, Tae Che-chun, who is also chairman of the General Student Association of Seoul National University) disclosed on 10 March that "when Yim Su-kyong visited North Korea in 1989, she promised to set up sister relations with the Korean Student Committee in 1992" and said that "pursuant to the spirit of the North-South agreement, it will set up sister relations between our universities throughout the country and approximately 100 North Korean universities and

colleges and between departments in these schools and departments of our universities so that exchange of correspondence and mutual visits between students of the North and the South can be realized in the future."

That day, Chondaehyop disclosed that last December, the Korean Student Committee of North Korea sent to Chondaehyop various materials introducing in detail approximately 100 North Korean universities and colleges, including Kim Il-song University, and their departments.

* Flexibility of DPRK Foreign Policy Analyzed

922C0095A Seoul CHUNGANG ILBO in Korean
30 Dec 91 p 3

[By reporter An Hui-chang: "North Korea's Inside Affairs That Led to Flexibility in Foreign Policy"]

[Text] As seen in the installing of Kim Chong-il as the commander-in-chief of the Armed Forces and in its manifested will for an early signing of the nuclear safeguards agreement, North Korea is taking major domestic and foreign policy decisions one after another in a total departure from the past lines, heightening our concerns about what is going on inside the leadership.

Especially, to encourage further interest, North Korean broadcasts reported, without disclosing specific details, that President Kim Il-song made an "important conclusion" at the 19th plenum of the sixth party Central Committee held on 24 December.

It was after the fifth North-South high-level talks held in Seoul that North Korean moves began attracting attention.

In that session, North Korea unusually demonstrated a flexible, "ready for a settlement" stance, eventually signing the reconciliation and nonaggression accords with South Korea.

In negotiations on the nuclear issue, too, until the first contact of representatives held in Panmunjom on 26 December, North Korea had made it clear that there would be no easy compromise. But, when the first contact opened, it showed a new stance that suggested a policy shift, and made a surprise announcement that it would discard its nuclear reprocessing facility—over an issue that South Korean and U.S. officials had seen as most difficult to deal with.

At the same time, North Korea domestically lauded the significance of the agreement thus signed, hailing it as a "historic event" and a result of the "sagacious leadership" of Kim Il-song and Kim Chong-il.

Especially, since Kim Chong-il was installed as the commander in chief at the 24 December party meeting, there have been various rallies held to support the action.

These moves can be interpreted as part of North Korea's effort to resolve its current economic difficulties and officially establish the succession system. Those major policy changes appear to reflect that effort.

North Korea's intention seems to be to improve "conspicuously" its relations with the United States and Japan as well as with South Korea and, at the same time, through such improvements, find a way out of the present economic difficulties, then give Kim Chong-il credit for all these and thereby put a finishing touch on the succession.

A National Unification Board official said: "North Korea will try to build Kim Chong-il's image as a 'champion of peace' who realized the improvement in the North-South relations which his father failed to and a 'preeminent statesman' having found a solution to the nation's economic problems."

"Along this line, North Korea will begin the process next year of placing Kim Chong-il in his ultimate status, in form, too, in accordance with 'appropriate procedures,'" the same official observed, adding that "the fact that he was recently installed as commander in chief of the Armed Forces was a signal of it."

Viewed in this light, North Korea seems to regard a visible success in advancing North-South relations as a priority policy goal.

It also seems to feel that such successes will contribute to speeding up rapprochement with Japan and bolstering its international position that has been soiled, and to taking the initiative in the future in promoting a reunification mood.

The fact that North Korea is focusing on improving relations with South Korea can be seen even more clearly in the flexible stance it showed in the negotiations over the nuclear issue. North Korea stated that it will sign the nuclear safeguards agreement at an early date and discard its nuclear reprocessing facility.

North Korea knows very well that without a settlement on the nuclear issue, there could be neither advancement in North-South relations nor rapprochement with Japan.

The nuclear issue has another aspect, however.

North Korea indeed may have felt that it should hold on to the "nuclear trump card" longer. More importantly, however, it had to be conscious of the presence of its hard-liners represented by the military.

The nuclear reprocessing facility, of which the dismantling is demanded by South Korea, is indispensable for North Korea to possess nuclear weapons independently. Consequently, abandoning the facility seems to be an impossible matter without consultations with or the consent of the military. Nevertheless, North Korea agreed to discard the facility, and behind that fact there should be a reason other than that international pressure would make its further development impossible.

Put in this light, the fact that Kim Chong-il has been installed as the commander in chief of the military at this point of time is full of suggestions.

First of all, it means that he now controls the military both in name and reality.

Needless to say, Kim Chong-il's influence over the military has already been substantially strong. The transfer to him of the supreme command, which constitutionally belongs to the president of North Korea, put him in complete control of the military, however.

This, according to analysts, has created the possibility that Choe Kwang (chief of general staff) and other first-generation revolutionaries and hardliners would retire.

Another meaning of the action is that Kim Chong-il will in the future perform the leading role in such matters as the conclusion of disarmament and peace accords with South Korea.

After all, it can be said that the recent North Korean moves are a political process to inaugurate the Kim Chong-il leadership both in name and fact in the future.

In other words, Kim Chong-il embarked on building up justifications for him to take over as helmsman to lead North Korea.

From this point of view, it appears that North Korea will bring the nuclear issue to a settlement sometime in January 1992, then move positively to improve relations with South Korea, the United States, and Japan while domestically going through the set procedures to transfer the party and government positions currently held by the president over to Kim Chong-il.

It is expected that allusions to such complete transfer of power will come on Kim Chong-il's 50th birthday on 16 February and during a session of the Supreme People's Assembly anticipated for late March or early April, and an affirmation of it on or about 15 April marking Kim Il-song's 80th birthday.

DPRK Reportedly Purchasing Ultramodern Arms

SK1103144392 Seoul CHUNGANG ILBO in Korean 11 Mar 92 p 2

[Report by Hong Kong-based correspondent Chon Taek-won]

[Text] A reliable source in Hong Kong revealed on 11 March that North Korea is purchasing large quantities of ultramodern military equipment, such as missile tracking equipment, underwater cordless telephones, and night telescopes, from an arms dealer in a Western country. The source added that North Korea avoids the restriction of the Coordination Committee for Export to Communist Areas by using Macao as a base.

This source reported that at the end of last year North Korea purchased military equipment for a surprise attack—10,000 underwater cordless telephones, 5,000 diving goggles, and many underwater cameras and night goggles—with $18 million in cash. All of this equipment was reported to have arrived in North Korea early this year. The source also reported that North Korea has deposited $100 million at a Macao branch of a Chinese bank and continued to purchase the arms with cash.

The source pointed out: It is hard to understand how North Korea can spend such a huge sum to purchase military equipment, considering its shortage of foreign currency. Kim Chil-sok, a responsible person on the staff of Sinhap, a camouflaged North Korean trade company, said that North Korea is willing to use cash to purchase as much ultramodern military equipment as it can, however.

Chogwang, which plays the role of the North Korean Consulate General, and Maebong and Sinhap, which are North Korean companies dealing in arms under the People's Armed Forces, are now stationed in Macao under the guise of a trade company.

Last April when the Gulf war had just ended, a North Korean military group led by Ko Hyong-uk visited here [Hong Kong] in secret. Since then North Korea has been purchasing ultramodern military equipment.

DPRK Success in Sending Arms to Mideast Eyed

SK1203031192 Seoul THE KOREA TIMES in English 12 Mar GMT 92 p 2

[Editorial: "North Korea Scud Missiles to Middle East"]

[Text] Amid the world-wide worry over the proliferation of nuclear and other weapons of mass destruction, North Korea has ventured to ship a suspected load of Scud-C ballistic missiles to the Middle East. The apparent success of North Korea in the delivery of the cargo believed to be missiles to Iran has helped increase the tension in the Gulf region.

The latest report has it that the suspected North Korean cargo ship avoided a U.S. Navy search and slipped into an Iranian port. If this is so, it is certainly an embarrassing development for Washington, South Korea and their allies around the world.

It is apparent that the U.S. had been unable to find the North Korean ship, the Dae Hung Ho, and board it to see if the vessel was headed for Iraq, now subject to an international embargo. And it is surely untoward for the U.S. Navy to have lost the ship in the Indian Sea.

The North Korean vessel provided ample reason for an on-the-sea inspection, as it falsely stated that its final destination would be Equatorial Guinea in West Africa, although the U.S. was convinced that the ship was really moving toward Bandar 'Abbas in the Strait of Hormuz.

It is still uncertain whether the Scud-C missiles, an upgraded version of the old Soviet missile, have been unloaded in the Iranian port and whether they will be transported from there to Syria. It is true, however, that the shipments of these weapons of terror to the volatile Middle East will hurt the global peace efforts in the region.

By the latest venture, Pyongyang might have earned some foreign money which it direly needs, but it also solicited stronger international pressure against its nuclear weapons development program with its enhanced reputation as a merchant of death.

Economic Group Encourages North American Ties

SK0903221792 Seoul YONHAP in English 0257 GMT 9 Mar 92

[Text] Seoul, March 9 (YONHAP)—The government will encourage enterprises to build a distribution network stretching across the European Common Market and will strengthen economic ties with North American countries to positively cope with the worldwide trend toward economic blocs, Economic Planning Board [EPB] officials said Monday.

EPB officials said the emergence of economic blocs in Europe and North America would have a considerable impact on South Korea's exports and imports.

In Europe, the success of the Maastricht summit and the signing of the Maastricht Treaty in February will bring about the integration of the 12-member European Community and seven-member European Free Trade Association into the European economic area next year.

In North America, the United States, Canada and Mexico agreed on signing the North American Free Trade Agreement (NAFTA) in February last year and it will go into effect early next year.

Korean companies will be encouraged to build Europe-wide distribution networks and make greater investments in Europe, the officials said.

The advancement of banks, securities firms and other financial institutions into Europe will be promoted. In the manufacturing sector, large enterprises will be advised to make inroads into Europe together with small- and mid-sized part suppliers to cope with the European system, under which firms must use parts made there.

The government will strengthen trade diplomacy toward nations in North America to prevent NAFTA from having a disadvantageous impact on Korea regarding certificates of origin and investment conditions.

South Korean companies will be asked to make more investments in Mexico and to seek detour exports to the United States in such fields as textiles, automobiles, electronics and footwear.

The government will hear grievances from Korean firms in Europe and North America and ease restrictions on their overseas investment and acquisition of real estate, the officials said.

Daewoo Makes Parts for UK's Hawk Aircraft

SK1203055492 Seoul YONHAP in English 0510 GMT 12 Mar 92

[Text] Seoul, March 12 (YONHAP)—Daewoo Heavy Industries Ltd. has made wings, fuel tanks, weapons racks and other parts for British training aircraft, the Hawk, a company spokesman said Thursday.

Daewoo had made wings and fuel tanks for 12 planes and British Aerospace (BAE) would purchase them for 17 billion won (22.13 million U.S. dollars), he said.

BAE transferred the manufacturing technology to Daewoo on condition that South Korea buy its Hawk trainer, he said.

The government is to buy 20 Hawks for 230 million dollars and deploy them in the Air Force from November through next year.

Marks Technological Achievements

SK1203131192 Seoul YONHAP in English 1236 GMT 12 Mar 92

[Text] Seoul, March 12 (YONHAP)—Daewoo Heavy Industries Co. announced Thursday that it had made "great" strides in its bid to obtain aircraft-manufacturing technologies by recently successfully producing the main wings of the British-built MK67 Hawk military training aircraft.

The company said it has come to acquire most of the technologies used to build an aircraft by producing the entire part of the main wings of MK67 Hawks following its production last year of the fuselage of a 32-seat light plane for a German company.

Daewoo is to supply the wings of 12 of 20 Hawk trainers, worth 230 million U.S. dollars, British Aerospace is to deliver to Korea from November 1992 through the end of 1993.

Daewoo started to produce the wings of the Hawks in accordance with a contract signed between the South Korean Defense Ministry and British Aerospace in October 1990.

Envoy to Japan Expects Widening Trade Deficit

SK0903221892 Seoul YONHAP in English 0555 GMT 9 Mar 92

[Text] Seoul, March 9 (OANA-YONHAP)—South Korea's trade deficit with Japan will widen under an economic action plan aimed at narrowing the gap, Korean ambassador to Japan O Chae-hui warned Monday.

"The action plan is likely to include technology transfer, which will induce more imports from Japan," O told a news conference. "It cannot be expected that the plan will reduce the trade gap this or next year."

O also said that reports that North Korea plans to ratify the nuclear safeguards accord early next month were unlikely to speed up diplomatic normalization talks between Pyongyang and Tokyo.

The ambassador is in Seoul to attend the chiefs of mission conference that opened last week. His comments followed questions on the prospects of South Korea-Japan trade after the action plan is made ready in June.

Japanese Prime Minister Kiichi Miyazawa visited Seoul in January and announced after meeting with South Korean President No Tae-u that they had agreed to draw up the plan by June as part of bilateral efforts to rectify the growing trade imbalance in Tokyo's favor.

Korea recorded an 8.8 billion-U.S.-dollar trade deficit with Japan last year, following 5.9 billion dollars in 1990 and 3.9 billion dollars in 1989.

Imports from Japan are increasing because Japanese machines and parts are usually the most appropriate for South Korean needs such as energy-saving automation machineries, the ambassador said.

There are two aspects to Seoul's trade situation with Tokyo, he told reporters, domestic industrial structure and falling product competitiveness.

South Korea must solve its own industrial restructuring, but in gaining an export edge in the Japanese market, it can have the biggest advantage over other countries, he said.

"Japan lies so close to us. Culturally, we can know the most of any country about Japan. We have the highest potential to enter the Japanese market," O said.

On Pyongyang-Tokyo diplomatic normalization talks, the ambassador stressed North Korea needs to take more steps before the International Atomic Energy Agency (IAEA) can finally conduct a nuclear inspection.

"North Korea's ratification of the Nuclear Safeguards Accord is not the final answer," O said. "I do not think it will immediately influence Pyongyang-Tokyo diplomatic normalization talks."

Plan To Adjust Tariffs, Curb Imports Viewed

SK1003013292 Seoul THE KOREA ECONOMIC WEEKLY in English 9 Mar 92 p 23

[Text] The government is reviewing a plan to curb the imports of consumer goods by applying adjusted tariff rates.

Imports of some consumer goods, such as agricultural and marine products and manufactured goods, have increased sharply.

The Ministry of Finance said that in its judgment, the balance of payments deficit is still expanding since such imports have yet to be curbed. To regulate imports of non-essential goods, it has been carefully reviewing the possibility of applying some adjusted tariff rates, the ministry said.

New Ambassadorial Appointments Announced

SK1003051792 Seoul YONHAP in English 0115 GMT 10 Mar 92

[Text] Seoul, March 10 (YONHAP)—The government Tuesday appointed Yi Sang-yol, a research commissioner at the Foreign Ministry's Institute of Foreign Affairs and National Security (IFANS), to be ambassador to Iran.

Kim Ui-myong, also a research commissioner at the IFANS, was named to be ambassador to Belgium, while Choe Nak-chon, secretary-general of the Korean Council on Foreign Relations, was made envoy to Gabon.

Yi, 63, a native of Chinchon, North Chungchong Province, and a graduate of Yonsei University's College of Commerce, replaces Chong Kyong-il as ambassador to Tehran. Yi's previous major posts include ambassador to Mexico, Burma and Libya and minister in Saudi Arabia and France.

Kim, 59, a Seoulite and graduate of Seoul National University's Law School, succeeds Chong U-yong as envoy to Brussels. His previous major positions include ambassador to Ecuador and Sri Lanka and consul-general to Hong Kong.

Choe, 55, is a native of Changsu, North Cholla Province, and a graduate of Seoul National University. His major diplomatic postings include consul in Montreal, Canada, and minister to the Korean Permanent Mission to the United Nations.

Outgoing Ambassadors Chong U-yong and Chong Kyong-il were reassigned to the Foreign Ministry and to the IFANS as research commissioner, respectively.

State-Run 'Think Tank' Elects New Leader

SK0903053592 Seoul YONHAP in English 0458 GMT 9 Mar 92

[Text] Seoul, March 9 (YONHAP)—Song Hui-hon, president of the Korea Institute for Economics and Technology (KIET), was elected head of the Korea Development Institute (KDI) at a board meeting Monday.

Song, 53, a native of Chongwon, North Chungchong Province, succeeds Ku Pon-ho, whose term has expired, as the leader of the state-run think tank.

At another board meeting Monday, the Korea Institute for International Economic Policy (KIEP) chose Vice KIEP President Yu Chang-hui, 51, a native of Seoul, to succeed Kim Chuk-kyo as president.

Businesses Spend More on Pollution Facilities

SK0903223292 Seoul YONHAP in English 0808 GMT 9 Mar 92

[Text] Seoul, March 9 (YONHAP)—Businesses spent 595.6 billion won (780 million U.S. dollars) on pollution facilities last year, up 55 percent from 1990, a source at the Energy and Resources Ministry told YONHAP on Monday.

This information was discovered by questioning the 631 firms in Korea that specialize in pollution facilities, he said.

Speaking on condition of anonymity, he told YONHAP that the ministry had attributed the surprising increase to voluntary efforts to control pollution after phenol was dumped into the Nakdong River last year.

He said 307.2 billion won was spent on water preservation facilities, 257.6 billion won on air preservation, and 30.7 billion won on noise control.

The total accounts for 3.2 percent of that year's facilities investment of 18.48 trillion won, up 0.86 percentage point over 1990's 2.36 percent.

Hyundai Precision and Industry Co. supplied 31.6 billion won of pollution control facilities to 21 customers, followed by Goldstar Plant Co. with 30.9 billion won, Kolon Engineering Co. with 30.8 billion won, and Lotte Engineering and Machinery Manufacturing Co. with 28.3 billion won, the source said.

Seven of these industries advanced abroad, winning 67 million dollars in contracts in seven Southeast Asian nations, including Thailand, Indonesia and Taiwan.

"As air and water pollution standards are to be sharply tightened in January 1995 and January 1996, respectively, pollution facilities investment will rise to the 1 trillion-won range this year and 3.6 trillion-won level in 2000," he said.

* Superiority of Collective Farming Emphasized

922C0081A Pyongyang NODONG SINMUN in Korean 18 Nov 91 p 3

[Article by Choe Myong-sun: "The Collectivist Method Is a Powerful Means of Bringing the Superiority of Our Socialist Rural Economy Into Full Play"]

[Text] Currently, the superiority and vitality of our socialist rural economy are evermore enhancing. Thanks to the sagacity of the leadership of the party and the leader and the superiority of our socialist rural economic system that we have been able to gather in a rich harvest in this year's farming.

That our rural economic system is manifesting greater vitality with each passing day is related to the fact that the cooperative economy is being managed and operated on the basis of the collectivist principle by following the path indicated in the theses on our rural economy.

The dear leader Comrade Kim Chong-il pointed out as follows:

"Inasmuch as the cooperative economy is a socialist type of economy based on the collective ownership of the means of production, a managerial method matching this economy ought to be one based on the collectivist principle."

The socialist system and the method of its management are in an inseparable relationship. Cooperative economy is a socialist type of economy based on collective ownership. It follows that the method of managing socialist rural economy must be a management method based on the collectivist principle. The existence and development of socialist rural economy depends on how the collectivist principle is implemented. Aside from the collectivist method there can be no superiorly of socialist rural economy.

The implementation of the collectivist method is an inherent demand of the socialist rural economic system.

Cooperative economy is a socialist collective economy organized in accordance with the voluntary will of the masses of farmers. In this economy all means of production, including land and farm machines, are owned jointly, and all farmers work jointly and receive their shares in accordance with the socialist principle. Accordingly, managing the rural economy by collectivist means is fully in accord with the characteristics of the cooperative farm.

Collective farms are not managed by the will of any individual but by the creative initiatives of the masses of farmers, who are the owners of the means of production and the direct participants in production and management. The masters of the cooperative farms are the masses of farmers, and the persons who have vital stakes in the operation of the farms are also the farming masses. The farmers participate in all aspects of operation, such as production, management, and distribution, in an equal capacity and with equal rights. The development of the farms is directly linked to improvements in the farm members' standard of living. That is why the farmers work hard devoting their all to the development of the collective economy. This shows that in socialist cooperative economy based on the cooperative ownership of the means of production, there can be no better method than managing and operating it by the collectivist method.

Implementation of the collectivist method is also an important requirement for constantly developing agricultural productivity to an ever higher level.

In a cooperative farm, farming and all other productive activities are conducted by the collective labor of the farmers. Through the process of collective labor, comradely unity and relations of cooperation are forged and

such a high level of productive results that would be beyond imagination for unorganized individuals is achieved. The problems of realizing an overall mechanization of the rural economy, implementing the chuche method of farming in a thorough manner, and drastically increasing agricultural productivity can be solved only through the collectivist method.

It is impossible to develop agricultural productivity to a high level by small-scale individual farming. The individualistic method, inasmuch as it is based on the individualistic view of life, has a limit in giving play to the enthusiasm and creative initiatives of people. On the contrary, the collectivist method, inasmuch as it is based on the collectivist view of life, can inspire the people to give full play to their boundless devotion and mass heroism for the prosperity and development of the collective.

The collectivist method, by correctly combining the interests of individuals and those of the collective, vigorously inspires the farmers with zeal for production.

In the socialist cooperative economy, the interests of individuals and those of the collective are closely related to each other and are essentially identical. In the cooperative economy, the interests of the collective are in unity with the interests of the farmers themselves, and the interests of individual farm workers constitute part of the interests of the collective. As the collective's share increases, the farmers' share increases in the same proportion.

If in managing the cooperative farms the interests of the individuals were to be neglected in preference to the interests of the collective, it would dampen the farmers' enthusiasm to produce. On the contrary, if attention were to be paid to the interests of the individuals alone with no regard to the interests of the collective, it would become impossible to develop the collective economy and increase the country's wealth. The way of giving full play to the superiority of the socialist rural economic system by correctly combining the interests of the individuals and those of the collective lies in putting the collectivist principle into practice. For all members of society to share their sweets and bitters in life helping and leading one another under the slogan "One for all, all for one!"—herein lies the essence of collectivism. Collectivism values not only the common interests of the collective but also the interests of all members belonging to the collective. The basic demand of collectivism is for placing the interests of the collective first, unifying collective and individual interests, and meeting the interests of the individuals by the interests of the collective. Collectivism is not against the individuals per se, but is against placing the interests of the individual ahead of the interests of the collective. Collectivism demands that he who works a lot for the collective and makes considerable contributions to it deserves a greater share of distribution and a higher social appraisal. Collectivism has nothing to do with averaging. The socialist principle of distribution being practiced in the cooperative farms is in accord with the collectivist principle and constitutes an important lever in better implementing this collectivist principle. The socialist principle of distribution under which distributions are made in accordance with the amount and quality of labor put in makes the farmers diligently participate in collective labor and devote themselves to working for themselves and for the society and the collective as well. This is to say that the collectivist method of management constitutes an important guarantee for the development of agricultural productivity by giving full play to the superiority of the socialist cooperative economic system.

Implementation of the collectivist method is also a firm surety for the revolutionization and working-classification of the farmers.

In the revolutionization and working-classification of the farmers, it is important to do away with individualism and egoism and arm them with the spirit of collectivism. In exploitative society, the farmers lag behind the working class not only in technological and cultural terms but also in ideological terms. The socioeconomic status of our farmers has undergone radical change thanks to the socialist revolution, and an immense change has taken place in their ideological consciousness also, through the persistent ideological indoctrination work of the party. However, the fact that the farmers lag behind the advanced working class in ideological terms remains one of the important conditions which give rise to class distinctions between workers and farmers.

Ideological consciousness is not automatically transformed simply because socialism is established and the standard of living improves. Needless to say, the socialist system provides the social and material conditions necessary to do away with the economic foundation which gives rise to economic backwardness and to transform the ideological consciousness of the farmers. But, even under the socialist system, the dregs of old ideas will remain in the ideological consciousness of the farmers, and without waging a struggle to do away with these dregs, the old ideas might be brought back to life. To reform the ideological consciousness of the farmers and revolutionize and transform them into the working class, we need to thoroughly implement the collectivist principle in the management and operation of the cooperative economy while vigorously prosecuting the ideological revolution.

Through collective productive labor, the farmers give full play to the collectivist spirit of working together helping and leading one another. In this process, they come to value common property and struggle for the interests of their organization and collective with might and main. In particular, while performing collective labor, the farmers come to keenly realize that the life one lives but for his own sake is not worth living, whereas the life which contributes to the well-being of society and collective is a worthy life which assures a lasting future

not only for oneself and one's own generation but for the society and collective as a whole. If the farmers should be allowed to work not by the collectivist but an individualistic method, it would become impossible to inculcate the collectivist spirit in the minds of the farmers and it would instead bolster individualism.

Only the collectivist method can cleanse the farmers of the dregs of old ideas, including individualism and egoism, and prepare them solidly as true revolutionaries who devote themselves to fighting for the interests of the society and people and the interests of the party and the revolution, wherever and whenever.

Currently, the socialist rural economic system in our country is further solidifying and developing under the sagacious leadership of the party and the leader, along the path illuminated by the Theses on our rural economy. By managing and operating the socialist rural economy on the basis of the collectivist principle, we have achieved great results in socialist rural construction. Our farmers, united closely around the party and the leader, are devoting all their talents and energies to implementing the party line and policy.

Through their experience in life, our farmers have come to boundlessly value the socialist rural economic system deeply rooted in our rural community, brimming over with a determination to resolutely protect and further consolidate and develop it. Our farmers are uplifting the fine communist custom of loving the collective and devoting one's all to fighting for the common interests, helping and leading one another. Constantly heightening are the labor enthusiasm and creative initiatives of our farmers to contribute to the party and the revolution through agricultural production, upholding the leadership of the party and the leader.

Today's reality and our valuable successes and experiences gained in socialist construction patently prove that thorough implementation of the collectivist principle is the correct way of giving full play to the superiority of our socialist rural economic system.

*** Series on History, Future of Computer Industry**

922C0102A Seoul CHUNGANG ILBO in Korean
10 Jan 92

[10 Jan 92 p 7]

[Article by reporter Pak Ui-chun: "High Royalty Payments, Poor Technologies Struggle Even in Domestic Market"—first in a series]

[Text] "The more we export computers, the more we lose money. In case of personal computers (PC's), we are losing the domestic market to even Taiwanese products and the international market to the products by developed countries."

A businessman knowledgeable of the domestic computer industry said, "The six biggest domestic computer manufacturing companies lost billions, and even tens of billions of wons. This year's prospect does not seem to improve, either."

The computer industry, which has been considered to be one of the most promising domestic high-tech industries, is struggling to survive, no better than the textile and sports shoes industries that have lost international price competitiveness.

It is mainly because of the high percentage of royalty and the short life cycle of computers. Because of the large technology gap between the domestic computer industry and that of the advanced industrialized countries, the royalty for using their advanced technology amounts to 13 percent of the total sales price. The average life cycle of computers and their related products has been shortened from two years to six months to a year.

Kim Tong-sik, executive vice-president (VP) of the Hyundai Electronics Company, pointed out that, "The biggest problem of domestic computer industry is the inability to produce the products that consumers want in a timely fashion."

Hong Chong-man, senior VP of the computer division of Samsung Electronics said, "The technology of the domestic computer industry is about 10 years behind that of the United States and Japan and two to three years behind Taiwan."

A senior official of a PC export company analyzed that, "Taiwan is ahead of us in PC technology by 5-7 percent. The timing for introducing new products to the market and financing are ahead of us by about 5 percent each. Thus, the overall price competitiveness is ahead of us by about 20 percent and by more than 30 percent in actual sales."

The real competitiveness of the domestic computer industry is better reflected in the actual retail shops, such as the Yongsan electronics market than the statistical numbers.

Yi Che-keun, chairman of the friendship association of the Yongsan electronics shops, said, "Domestic PC's (IBM AT 286 compatible) cost 900,000 to a million won [approximately $1,250 to $1,380] per unit, whereas Taiwanese products cost 700,000 to 800,000 won. College students prefer the Taiwanese PC's because of the lower price with better quality and with substantially better compatibility with other machines."

Although the domestic computer industry is trying its best to reinforce its competitiveness by developing core parts of computers with home-grown technology, there is no sign of better business environment in the near future.

The Association for Electronics Industry Promotion plans to increase the production of computers and periferals by 4.8 percent this year compared to last year, and export by 2.3 percent.

Compared to the rapid annual growth rate of the computer industry of about 50 percent until 1988, the current hardship that the domestic industry is undergoing is even worse.

In case of Samsung Electronics, the company shifted about 100 employees from the computer area to other sectors of the company.

The domestic computer industry is very unhappy about the rapid market share by the Taiwanese low-cost products.

One computer-related businessman complained to the government by saying, "Although the government is very strict about its regulation on new domestic computer products in meeting its standards, it does not pay enough attention to the Taiwanese products to ensure that they meet the same standards such as EMI."

Of course, the domestic computer industry did not completely give up its business.

Samsung Electronics is promoting a new strategy to differentiate its marketing efforts. For example, the company introduced notebook-type PC's mainly to the domestic market, whereas it concentrates on workstations in the international market. Gold Star has a plan to concentrate on marketing by securing a large-scale dealership network in the United States and to develop new markets in Central and South America and in East European countries.

Daewoo Communications is betting its future on the export to the United States and the Middle Eastern countries through its U.S. sales representative, Leading Edge.

Despite these efforts, it is predicted that there may be some domestic companies going out of business this year because of the expected reinforcement in the domestic market share by bigger companies such as IBM and of a keener competition among domestic companies as well.

Furthermore, as the life cycle of computers gets shorter, most of the computer companies, except for a handful of large companies such as IBM and Apple, are trying to exercise a hit-and-escape strategy popular in boxing. Consequently, the risk is greater.

In a sense, the hardship that the domestic computer industry is currently experiencing is a natural consequence of the industry's mode of operations.

The domestic computer industry has been producing computers for customers who later put on their own company labels before selling them. As the expression in the computer industry goes, "Computer companies are easy to set up and easy to close." It captures the cutthroat competition among mushrooming domestic computer companies, that has been one of the major obstacles to the healthy development of the computer industry.

Samsung's senior VP, Hong Chong-man, said, "Because of technological inferiority, it is difficult to compete directly with advanced industrialized nations in the near future. There is no alternative but to steadily build up competitiveness, while trying to find a way to survive through technology cooperation with foreign companies that have advanced computer technologies."

[10 Jan 92 p 7]

[Article by reporter Pak Ui-chun: "Government Assistance Urgently Needed To Save the Industry—second in a series]

[Text] "If Taiwan is a ferocious cat, Korea is a newly-born elephant." This is a sarcastic remark criticizing the domestic computer industry's weak adaptability to the rapidly changing market environment for its bigger size compared to the Taiwanese computer industry that has rapid mobility and competitiveness.

The scale of domestic computer technology is only about 20 to 40 whereas that of the technologically advanced countries such as the United States and Japan is 100. This means that most of the core parts of domestically produced computers are bought from advanced nations.

Professor Sonu Sok-ho of Hongik University pointed out that, "The domestic computer industry's current hardship is the result of insufficient investment in research and development (R&D) of core parts of the computer, due to the lack of the government's understanding."

Professor Sonu also criticized the government by saying, "Because of the lack of coordination among the government's organizations, there is not even an R&D complex dedicated to software development. The government should also expedite the standardization of the keyboards and motherboards."

Major causes for the low competitiveness of domestic computer products can be cited as follows: The market is led by large companies; there have been insufficient efforts in training highly qualified technical manpower; the parts and materials industry is underdeveloped; and the growth so far has been heavily dependent on foreign market.

Chong Kang-hwan, president of the Taeil Precision Company, said, "Taiwanese companies gained its edge in price competitiveness through joint purchasing, development and production."

Chong also said, "In order to revive the domestic computer industry, medium and small-size companies should be better organized and cooperation among companies is essential." He also argued that, "In case of PC's, a large number of suppliers is inevitable because of the short life cycle of computers. Therefore, medium and

small-companies should take over the PC industry, whereas large companies should concentrate on medium and large-size computers."

Yang Chang-sik, president of the Association of Computer Sales Cooperation, insisted that, "As one company cannot produce materials and ready-made clothes, computers should be custom-made."

Despite the current hardship, domestic computer industry insists on the government's support for a continuous growth.

While the world computer market is worth $300 billion, Korea is exporting only $2 billion. Therefore, there is a great potential to grow if the industry reinforces its efforts in technology development and in sales and marketing.

Accordingly, the domestic computer industry is concentrating on the localization of core parts of the computer. It is encouraging that the industry has succeeded in developing Liquid Crystal Diplayer (LCD) and High Density Disk (HDD) with the domestic technology.

The LCD is one of the core parts of the PC's and the Laptop PC's. The price of LCD is 12 to 15 percent of the total computer price.

Samsung Electronics succeeded in developing a 10-inch LCD in August 1991, and will be mass producing them from May 1992.

Although the development lags behind advanced nations, the Samsung Information and Communications Company succeeded in developing 105 megabytes HDD late last year.

The industry pointed out that in order to increase the competitiveness, the industry should increase the rate of attaching its own labels to domestic products, in addition to the efforts for technological development. Currently, only about 40 percent of domestically produced computers have domestic labels attached.

Businessmen in the domestic computer industry unanimously agree that the government should also support domestic industry by purchasing domestic products.

Kim Nam-uk, senior member of the Sambo Computer for domestic marketing, said, "The government should not only provide long-range and indirect support, but also provide the private computer industry with a growth basis by purchasing new products and providing financial support."

Hong Chong-man, senior VP of the computer division of Samsung Electronics said, "While the industry should prevent dumping, the government should also try to lead the computer industry to an 'optimum bidding' practice, rather than resort to dumping by purchasing the cheapest products."

In order for the domestio computer industry to grow, there is no better way than to reinforce the competitiveness through the establishment of a cooperative system among large, medium and small companies, together with efforts to develop and improve technology.

Paek Man-ki, chief of the information promotion section of the Ministry of Commerce and Industry, said, "Although Taiwan gained its competitiveness through medium and small businesses, it is difficult for us to do the same because of the different business environment. If we can establish a cooperative system between large, medium and small companies, like Japan, there is enough potential to win in the international market."

Burma

Khin Nyunt Discusses Reopening Universities

BK1203005592 Rangoon Radio Burma in Burmese 1330 GMT 11 Mar 92

[Excerpts] A coordination meeting between Major General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC] and rectors, principals, and professors from universities and colleges was held at 1500 today in the Cinema Hall of the Myanmar [Burma] Education Research Board. [passage omitted]

Speaking at the meeting, Major Geneneral Khin Nyunt called for frank discussion of the issue of reopening the universities and colleges and invited suggestions which would contribute to the long-term, stable, and peaceful pursuit of education.

Next, the following persons discussed the issue of reopening the universities, the peaceful pursuit of education, and the promotion of nationalism, patriotism, and love for the Union among students: Dr. Maung Maung Nyo, professor of anatomy at the Institute of Medicine-1, Yangon [Rangoon]; U Myo Nyunt, rector of the Institute of Education; Dr. Mya U, rector of the Institute of Education; Dr. Khin Maung Nyunt, rector of the Institute of Education; Dr. Kyaw Thein, vice rector of the Institute of Computer Science; Dr. Tun Maung, rector of Mandalay University; U Tin Naing, vice rector of the Institute of Agriculture; U Aung Than, vice rector of the Yangon Institute of Technology; Dr. Hla Pe, vice rector of the Yangon University; U Maung Maung Sa, vice rector of the Institute of Veterinary Science and Medicine; U Hla Tun Aung, vice rector of Moulmein University; U Myo Swe, professor from the Myanmar Language Department of the Magwe Degree College; U Lay Myint, professor of Far Eastern Studies at Yangon University; U Bo Ni, vice rector of Mandalay University; U Shwe Hlaing, lecturer from the Mathematics Department of the Yangon Institute of Technology; Dr. Min Tin Mun, professor from the Chemistry Department of Moulmein University; U Myaing Thant, professor from the Myanmar Language Department of Moulmein University; and U Thein Naing, professor from the History Department of Bassein Degree College.

Following the discussions, Major General Khin Nyunt delivered a closing address, saying that the discussions of the professors were very helpful in drawing up short- and long-term programs, and that the government for its part had pledged on many occasions to provide the necessary assistance. He said it would be necessary for the three parties—parents, teachers, and students—to cooperate in unison to bring about a peaceful pursuit of education. He said the discussions of the professors at today's meeting would contribute greatly to the peaceful pursuit of education. He said the Education Committee would deliberate on the discussions and work for the best solution.

The meeting ended successfully at 1750.

Khin Nyunt Addresses Teachers at Refresher Course

BK1003041992 Rangoon Burma Television Network in Burmese 1330 GMT 9 Mar 92

[Address by Major General Khin Nyunt, in his capacity as chairman of the Myanmar (Burma), Education Committee and secretary-1 of the State Law and Order Restoration Council at the opening ceremony of the Second Special Refresher Course for University Teachers at the Central Institute of Public Service in Hlegu on 9 March—recorded]

[Excerpts] I would first like to extend my greetings for physical and mental wellbeing and peace to trainees from university and colleges attending this Second Special Refresher Course and guests present at this opening ceremony. Although I address the university and college teachers attending this course as trainees, I acknowledge that all of you are experienced teachers of higher education at universities and colleges. During this meeting with college and university teachers I would like to explain a few points regarding the special refresher course conducted by the state.

The courses being conducted are called refresher courses and they can be interpreted as courses for renewal. I would like the teachers to recognize that these refresher courses are unique in the history of education in Myanmar [Burma] and they are oriented toward contributing to the peaceful pursuit of education. The objectives of the refresher course are:

1. To promote patriotism which would contribute to the peaceful pursuit of education;

2. To accept and uphold our three main cardinal causes [prevention of disintegration of the Union; prevention of disintegration of national unity; ensuring perpetuity of national sovereignty;]

3. To manage systematically student affairs and enforcement of rules and regulations. [passage omitted]

The Defense Services are currently implementing their four major tasks while endeavoring to work for national development and construction as well as border region development. At the same time, it is also paving the way for administrative and economic conditions which would suit the multiparty democracy system. At such a time when political and economic reforms are being carried out, neocolonialists who had interfered since the [1988] events are continuing to interfere in the affairs of Myanmar by making all sorts of fabrications.

We can study and see from international news how some major powers are currently attempting to dominate minor countries by imposing their ideology and system and by other means. They use flowery and beautiful words under the pretext of human rights and a democratic system in order to undermine existing unity and bring about disintegration. They employ various means toward this end, including threat, blackmail, and a

system of nurturing lackeys through praise and assistance. While these major powers are endeavoring to undermine the unity of minor countries, we must nurture patriotism and cherish the Union and one's own culture and remain united. Only then will we be able to stand as an independent and sovereign state for a long time. In striving to establish unity with patriotism we will come under the sway of manipulations of neocolonialism if our patriotism is weak. [passage omitted]

Although these refresher courses are called training courses they are being conducted like seminar courses. So please regard them as courses designed to restore the inherent quality and qualifications of the teachers. Please do not think that the State Law and Order Restoration Council [SLORC] is conducting the course in order to torture the teachers. Please do not misunderstand the goodwill of the SLORC—the Defense Services.

The previous course was conducted mainly for teachers from universities and colleges in Yangon [Rangoon]. The current course is mainly for teachers from provincial colleges and universities. [passage omitted]

According to the Anguttara Pali Text, education is a true gem for human beings. However, being educated does not mean a true mingala [auspiciousness]. Being educated is a mingala only if one practices and acts like an educated person. Education is more effective when it is based on patriotism and the interests of one's race and religion. No matter how educated a person is, if that person lacks patriotism, that person cannot contribute to the nation and its citizens, but can be described as a self-centered person who is in pursuit of one's own welfare. Such persons do not consider the gratitude toward one's own country which nutures and looks after one's welfare. Such persons are ungrateful and they work only for their personal fame and fortune and for obtaining power and influence. They tend to be reactionary and depend on foreign countries. Such persons in pursuit of their own selfish interests are not reluctant to cause destruction of the motherland. Currently there are such persons who do not care for one's own race and are bent on using their education to destroy one's own race according to the wishes of the imperialists.

Neocolonialists, who cannot bear to see the country develop and prosper and the indigenous national races united, are having their opportunities to work for disintegration of the country and to pave the way to power for their lackeys and destroyers of race who are prepared to have them as masters. Therefore, it is necessary for all members of the Union to be more united. [passage omitted on traditional teachings]

Please do not teach academic subjects only, but also teach nationalism and patriotism so that the students will be imbued with pride as a Myanmar [Burmese] citizen and have the willingness to serve the interests of the motherland to the best of their ability and safeguard the motherland from all kinds of threats with their lives, when necessary. [passage omitted]

Brunei, Malaysia & Singapore

Malaysia

Cabinet Seeks Full Report on Rohingya Muslims

BK1103144692 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 11 Mar 92

[Text] The cabinet has directed the Malaysian High Commission in Bangladesh to submit a full report on the reported oppression and expulsion of Rohingya Muslims by Myanmar [Burma]. The cabinet wants a complete picture of the situation as soon as possible. Acting Foreign Minister Datuk Abu Hassan Omar said this today.

Foreign Minister Datuk Abdullah Ahmad Badawi said on Monday that Malaysia took a serious view of Myanmar's treatment of its Muslims, particularly the action of its troops in forcing the Rohingyas out of the country. He said Malaysia wanted the Myanmar troops to cease the action—to send back the Rohingyas to neighboring countries.

Today's press reports said Myanmar had set up patrol along the border with Bangladesh to prevent more than 170,000 Rohingyas from returning.

Meanwhile, UMNO [United Malays National Organization] Youth head Datuk Sri Najib Tun Razak said the movement hoped that Myanmar would reconsider its action against the Rohingyas. He said UMNO Youth believed that the Rohingyas had been living in the Arakan Province for centuries although they might not possess personal identification documents due to technical problems. UMNO Youth was shocked by the inhumane military action taken against them.

He told reporters this after launching the Rohingya refugees fund at the UMNO headquarters in the federal capital. Responding to a question, Datuk Sri Najib said it would be appreciated if other ASEAN countries could urge Myanmar to stop harassing the Rohingyas. He also expressed the hope that members of the Organization of Islamic Conference could help the Rohingya Muslims.

The Bangladesh High Commissioner to Malaysia, Major General Muzammel Hussain, who was present, thanked Malaysia for its support for the Rohingyas.

Singapore today expressed concern about the situation at the Myanmar-Bangladesh border, which it said, could create instability in the region. A Ministry of Foreign Affairs spokesman said the flow of large number of refugees from Myanmar into Bangladesh was creating a potential area of instability for the region and human suffering. Singapore hoped that the Myanmar authorities would take action to allow the refugees to return home safetly and thus defuse a potential source of regional instability and tension.

Ghafar Appeals to Burma

BK1203080392 Kuala Lumpur BERNAMA in English 0727 GMT 12 Mar 92

[Text] Kuala Lumpur, March 12 (OANA-BERNAMA)—Deputy Prime Minister Ghafar Baba hopes Myanmar [Burma] will take Malaysia's criticism of the Rohingya issue as that from a friend.

He also hoped Myanmar would resolve the problem as soon as possible and allow the Rohingyas, a Muslim minority, to return to the country.

At least 170,000 Rohingyas have fled to Bangladesh since December, accusing Myanmar troops of looting and burning their homes, raping women and killing those who protested, according to international news agency reports.

He was speaking to reporters after the Chinese minister of machine-building and electronics industry, He Guangyuan, called on him at his office here. Guangyuan arrived here on Monday for a six-day visit at the invitation of Primary Industries Minister Dr. Lim Keng Yaik.

Ghafar said the government was awaiting a report from the Malaysian high commissioner to Bangladesh to obtain a clearer picture.

Last Sunday, Malaysia called on the Myanmar military authorities to immediately cease acts of alleged oppression and expulsion of about 135,000 Rohingyas from the country's Arakan Province.

Malaysia's stand on developments in Myanmar was conveyed to the Myanmar ambassador to Malaysia, U Ko Wednesday.

U Ko said some of the Rohingyas were illegal immigrants, a claim disputed by the Bangladesh high commissioner to Malaysia, Maj. Gen. Muzammel Hussein, who said the Myanmar Government recognised the Rohingya as their citizens in 1978.

As a result of the conflicting statements, the cabinet has directed the Foreign Ministry to instruct the Malaysian high commissioner to Bangladesh to submit a report on the matter.

Enhancement of Economic Ties With PRC Hailed

BK1203101292 Kuala Lumpur Voice of Malaysia in English 0800 GMT 12 Mar 92

[Station commentary]

[Text] There is an increasing willingness on the part of China to purchase more Malaysian goods. One of the commodities that is finding a broadened market in China is Malaysia's palm oil. At present, China is the fourth largest buyer of this commodity with last year's imports close to 700,000 tonnes. In other fields too, both countries are interested to enhance bilateral cooperation, particularly in trade. The current visit of the Chinese minister of machine-building and electronics industry, Mr. He Guangyuan and his eight-member delegation to Malaysia will no doubt give a further impetus to this effort.

Since Prime Minister Dr. Mahathir's first official visit to China in 1985, bilateral cooperation has grown (?at a relatively high rate). The trade volume has increased from 0.5 million ringgit in that year to 1.5 billion ringgit at present. Regular contacts and exchanges of visits between the government leaders of the two countries have led to a greater understanding of each other's needs and aspirations. One notable area is in the field of science and technology, in which some joint ventures have already been established. The mutual technology transfer will invariably lead to a higher level of economic and social development in both countries.

Both Malaysia and China attach great importance to cooperation in the Asia-Pacific region in the face of drastic changes in the international economic situation. Countries in this region have recorded high economic growth in recent years, and this pace must be sustained. This is to ensure that their interests are protected. This is especially so because of the growing protectionism and formation of regional blocs in other parts of the world. [Words indistinct] is the Asia-Pacific nations step up their consultations and coordinate their action for their mutual benefit. This is why Malaysia is keen to see that its East Asia economic caucus or EAEC proposal is given urgent and careful attention. It is encouraging to note that China has given its full support for the caucus proposal initiated by Malaysia.

Back to the purchase of palm oil. Malaysia is happy to know that the commodity is finding ready markets in many countries. This is a clear sign that the anti-palm oil lobbyists in the U.S. have been effectively (?defeated) in their campaigns to dissuade people from using palm oil for cooking and other purposes. The regular users of the commodity are plainly aware of its many specific advantages.

The current visit of the Chinese delegation will be another step in creating a better environment for cooperation between Malaysia and China and in enhancing the already close trade, economic, and political relations between the two countries. Mr. He has expressed China's keenness in learning more about Malaysia's progress in the information technology sector. Malaysia, which has been described as a model in the advancement and sophistication of its information technology, will be only too willing to share its expertise with China as well as other developing countries.

Singapore

'Concern' About Burma-Bangladesh Border Expressed

BK1103142092 Singapore Singapore Broadcasting Corporation in English 1400 GMT 11 Mar 92

[Text] Singapore has expressed concern about the situation at the Myanmar [Burma]-Bangladesh border. In

response to a question, the Foreign Ministry said the influx of large number of refugees from Myanmar into Bangladesh is creating a potential area of instability for the region and human suffering. Reports say there are about 150,000 refugees to date and the number seems to be rising.

The Foreign Ministry spokesman said Singapore hopes the Myanmar authorities will take action that will allow the refugees to return home safely to defuse the potential source of regional instability and tension.

Drug Traffickers Use Airport as Transit Point

BK1203061092 Singapore THE STRAITS TIMES in English 11 Mar 92 p 19

[By Brendan Pereira]

[Text] Changi Airport is a popular transit point for drug traffickers.

Reason: They are less likely to be subjected to stringent checks at their next port of call because of Singapore's tough anti-drug laws and checks.

Customs officers have noted that the amount of drugs smuggled through the airport has been high over the past three years.

They said that prior to 1988, only a small amount of drugs was seized at the airport but since then, the hauls have been between 8 kg and 15 kg.

In the latest case, Customs officers nabbed five men and seized more than 2 kg of cannabis on Saturday.

The five who work for Singapore Airlines, were charged with a capital offence involving more than 2 kg of cannabis at Changi Airport on Saturday evening.

One of them was charged with importing the drug into Singapore, and four others with jointly abetting him.

Mr Teng Leng Gee, the officer-in-charge of the Customs Airport Branch, said that in 1989, 15.85 kg of heroin was seized, in 1990 the amount was 8.56 kg and last year, 15.04 kg.

All the heroin seized was Grade 4—the highest quality. This grade is usually for the overseas drug market and not for local consumption.

A kilogram of this heroin is worth about $1 million. [Singapore dollar]

From 1989 to 1991, customs officers also arrested 10 traffickers, including Hong Kongers and a Ghanaian.

Officers from the Central Narcotics Bureau said that traffickers have been using Changi Airport as a transit point because of Singapore's tough drug laws.

It is learnt that a courier entering Europe or the United States is not checked as thoroughly if his air ticket showed that he had left from Singapore.

But customs officers here are aware of this and have increased their checks to stem the drug flow. They are especially vigilant when a flight comes in from a country which is near the Golden Triangle—the area bordering Thailand, Laos and Myanmar [Burma]—and the Golden Crescent—the area near India and Pakistan.

It is learnt that surveillance by plainclothes officers begin from the time passengers step out of the plane and onto the air bridge.

Customs officers have also tightened up their checks on airline and airport staff to prevent smuggling of drugs and other contraband items.

Besides making sure that all airline crew and airport staff have their baggage checked when they are in the arrival lounge, customs officers have also been improving their intelligence gathering.

Said Mr Teng: "We have tightened our checks on airline and airport staff because they have access and can move about quite freely in the restricted areas."

Cambodia

Richard Solomon Ends Visit, Departs 11 Mar

BK1203071092 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 11 Mar 92

[Text] His Excellency [H.E.] Richard Solomon, U.S. assistant secretary of state in charge of East Asia and Pacific Affairs, left for home at 1600 on the afternoon of 11 March following a three-day visit to Cambodia.

Seeing His Excellency off at Pochentong Airport were Mr. Long Visalo, deputy foreign minister of the State of Cambodia [SOC], and many people from the SOC Foreign Ministry.

Also on hand at the airport were H.E. Charles Twining, U.S. special envoy to Cambodia; H.E. David Burns, UK special envoy to Cambodia; H.E. Yuriy Myakhotnykh, the Russian Federation's special envoy to Cambodia; and H.E. Ataul Karim, chief of the UN Advanced Mission in Cambodia.

Prince Sihanouk Receives Foreign Officials

Fetes UN Envoy Kibria

BK1103080392 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 10 Mar 92

[Text] His Royal Highness [HRH] Prince Norodom Sihanouk, head of state and chairman of the Cambodian Supreme National Council, hosted a dinner at the Khemarin Palace on the evning of 9 March in honor of His Excellency [H.E.] Kibria, special envoy of the UN secretary general in charge of humanitarian aid. H.E. Kong Sam-ol, vice chairman of the State of Cambodia [SOC]

Council of Ministers, and other SOC ministers and personalities were also present.

The prince expressed pleasure with and welcome to H.E. Kibria's presence in Cambodia at a time when the process of the implementation of the Paris peace accords was favorable to the repatriation of the Cambodian refugees planned to start soon.

HRH Prince Norodom Sihanouk went on to say that the mission of the UN Advance Mission in Cambodia has greatly contributed to the search for peace in Cambodia and the upcoming arrival of the UN Transitional Authority would surely provide an important contribution to neutralizing the atmosphere at the border and enabling all Cambodian factions to implement with brilliant success the process of national reconciliation.

In his reply speech, H.E. Kibria expressed great appreciation for the sacrifice of HRH Prince Norodom Sihanouk, who has worked selflessly to carry out the royal crusade of national reunification and reconciliation [words indistinct]. He said: Under the wise leadership of the samdech, the Cambodian people will quickly rise from the ashes of war and [word indistinct] suffering and start building a new [words indistinct].

Meets Thai Deputy Foreign Minister

BK1203033592 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 11 Mar 92

[Text] On the morning of 11 March at the Khemarin Palace, His Royal Highness [HRH] Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council [SNC] of Cambodia, granted an audience to a Thai Foreign Ministry delegation led by His Excellency [H.E.] Wichian Watthanakun, deputy foreign minister of the Kingdom of Thailand.

HRH Prince Norodom Sihanouk extended a warm welcome to and expressed delight over the Thai Foreign Ministry delegation's valuable presence. The prince extended best regards to Thai Prime Minister H.E. Anan Panyarachun for his contribution to the peace process in Cambodia.

HRH Prince Norodom Sihanouk also wished for the bond of solidarity and friendship between Cambodia and Thailand to last forever and stressed that he had already prepared conditions for an SNC delegation to attend the coming meeting of the International Mekong Committee.

In his reply, H.E. Wichian Watthanakun informed Prince Sihanouk of the International Mekong Committee's past activities and expressed his joy over the opportunity to revisit Cambodia and the great honor to pay a courtesy call on the prince who is currently the symbol of national unity and reconciliation, thus bringing peace and happiness to the Cambodian people.

Prince Chakkrapong Meets Australian Envoy

BK1103123192 Phnom Penh SPK in English 1108 GMT 11 Mar 92

[Text] Phnom Penh SPK March 11—Australian Ambassador to the Supreme National Council John Halloway called on Prince Norodom Chakkrapong, vice-prime minister of the State of Cmbodia, in Phnom Penh Monday. Halloway said Austalia was willing to assist the State of Cambodia in its policy of opening up the country and changing the national economy from a centralized one to a free market system and help train Cambodian students and teachers in the fields of economics, accounting management, etc.

He said Australia supported initiatives that could bring peace, and national reconciliation and (?help) Cambodia to prosper at long last.

On Solomon's talks with Premier Hun Sen, Halloway said it showed a sign of the new relationship between the U.S.A. and the State of Cambodia.

In reply, Prince Norodom Chakkrapong informed the Australian diplomat of his occupations in the Government of the State of Cambodia, and the reason for his break from the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia].

Officials Report Work Achievements to Sihanouk

Military, Foreign Activities

BK1203044192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 11 Mar 92

[Text] The officials in charge of military, security, foreign, judicial and legislative affairs of the State of Cambodia [SOC], paid a courtesy call on His Royal Highness Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council [SNC] of Cambodia, at the Khemarin Palace on the morning of 11 March.

On this occasion, the officials reported to the prince on the achievements resulting from their activities in the military, security, foreign, judicial, and legislative fields; these had created favorable conditions for the people to enjoy a stable life and peacefully earn their living .

The judicial official reported to the prince that the legal system had been strengthened, law enforcement had been enhanced, and social legality had been effectively maintained.

HRH Prince Norodom Sihanouk expressed his delight and commended the Cambodian People's Party and the SOC Government for their good leadership, which has enabled each social sector to proceed in a lively manner.

The prince wished all officials good health and success in carrying out their duties in the service of the nation and people.

Social, Cultural Activities

BK1103075992 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 11 Mar 92

[Text] The State of Cambodia [SOC] Cabinet in charge of social, cultural, and public health affairs headed by His Excellency [H.E.] Hun Sen, chairman of the SOC Council of Ministers and member of the Cambodian Supreme National Council [SNC], called on His Royal Highness [HRH] Prince Norodom Sihanouk, head of state and SNC chairman, at the Khemarin Palace on 10 March to present a report to the prince on the work activities in and development of the social, cultural, and public health sectors during the past 13 years.

On that occasion, Mr. Kong Sam-ol, vice chairman of the SOC Council of Ministers, informed the prince that since the Cambodian motherland had to go through the dark era of the Pol Pot regime, all the infrastructures of the national society were radically destroyed. In the efforts to rehabilitate and rebuild them, we have encountered many complex difficulties. Mr. Kong Sam-ol went on to say that the Cambodian People's Party [CPP] and the SOC Government have been working hard with each passing day to instill and foster the sense of patriotism among the cadres, personnel, workers, intellectuals, students, and teachers encouraging them to raise their consciences in participating in the restoration and gradual development of the social, cultural, and public health sectors in order to meet the growing demands of the people's living conditions.

HRH Prince Norodom Sihanouk was satisfied and impressed with the sagacity and persistent efforts of the CPP and SOC Government in bringing progress to the Cambodian motherland. He said that the poverty of the people has always been the important problem that H.E. Hun Sen's Cabinet has been tackling and continues to tackle.

Hor Namhong Agrees To Attend Mekong Meeting

BK1203092692 Hong Kong AFP in English 0454 GMT 12 Mar 92

[Text] Phnom Penh, March 12 (AFP)—Phnom Penh Foreign Minister Hor Namhong said Thursday that he had agreed to attend a meeting next week in Thailand to discuss ways to bring Cambodia back into the Mekong Committee.

But he stressed that Cambodia still demands the immediate reactivation of the original four-member Mekong Committee, a regional development organization grouping Cambodia, Thailand, Vietnam, and Laos.

Hor Namhong, a member of Cambodia's Supreme National Council (SNC), told AFP he would attend Monday's ministerial meeting of the Mekong Interim Committee (MIC) at the invitation of Thai Deputy Foreign Minister Wichian Watthanakhun, who visited Phnom Penh on Wednesday.

Thailand has proposed that Cambodia join the MIC, which would then discuss overhauling and expanding the Mekong Committee to include China and Burma, Hor Namhong said.

Bangkok is seeking a way to reintegrate Cambodia without risking a veto of hydropower and irrigation projects in northeastern Thailand approved by the MIC during the 14 years that Cambodia was absent, diplomats say.

Cambodia supports the idea of expanding and overhauling the committee, but that this must be decided by the original four-member Mekong Committee once Cambodia is reintegrated, Hor Namhong said.

"Thailand doesn't want to hear about the (original) Mekong Committee," he said of the organization formed in 1957 to coordinate development of the 4,000-kilometer (2,400 mile) waterway that is Indochina's lifeline.

Thailand, Vietnam and Laos formed the MIC in 1978 after Cambodia's Khmer Rouge regime stopped attending meetings.

SNC chairman Prince Norodom Sihanouk requested last year Cambodia's reintegration into the original committee, and his call has been backed by Vietnam.

Indonesia

Portuguese Peace Boat Returns to Darwin 12 Mar

BK1203112492 Jakarta ANTARA in English 1035 GMT 12 Mar 92

[Text] Darwin, Mar 12 (OANA-ANTARA)—The Portuguese ferry Lusitania Expresso which has conducted a failed provocative sailing to East Timor, arrived back at Darwin port at 1530 local time (1300 western Indonesian time) with no well-wishers welcoming her at the port, ANTARA's correspondent, Riris Irawati, reported here Thursday.

Rob Wesley-Smith, one of the mission's organizers earlier told ANTARA that he could not expect well-wishers to welcome the ferry because people in Darwin were still at work by 1500 hrs.

In the latest contact earlier, Expresso informed that it had reached 30 miles off the Darwin waters and would berth at the port in three hours, said Smith who is known as a hardliner of the East Timor FRETILIN [Revolution Front For An Independent East Timor] trouble makers group (GPK) in the Australian Northern Territory.

Meanwhile, Peter G. Spillett, an Australian history expert who has undertaken a lot of researches in South Sulawesi and East Timor, said that the Expresso's mission was nothing other than an effort to gain cheap publicity.

Commenting on the claim of the organizers that the mission had achieved a great success, Spillett said that the aim of their mission was to lay wreaths on the Santa Cruz cemetery in Dili.

They failed in reaching Dili, how could they claim they have gained success?, he said. [punctuation as received]

Spilett, who is also known in South Sulawesi as Daeng Makulle, said that the Portuguese citizens who came to Australia to join the Expresso mission under a pretext of human rights protection were hypocrites.

They obviously forget pressures and violations of human rights principles in Mozambique, Angola and Macau, he said adding that the Portuguese ambassador to Australia seemed to have lost orientation when he said those aboard the ferry wanted to unite with their brothers in East Timor.

He said no one of those aboard the old ferry really had the intention to unite with the people of East Timor because in principle they have their own lives.

Local media reported that on its way back to Darwin, the ship developed engine trouble while other sources said it was quite possible that the difficulty was intentionally designed.

Wesley-Smith, when asked on the trouble with the ferry's engine cooling system, could not give confirmation saying that he had not yet succeeded in contacting Expresso's captain to obtain the correct information.

He said the Portuguese ship was no longer escorted by the Indonesian naval frigate, indicating that Expresso was really sailing to Darwin.

Wesley-Smith also said that the mission organizers also planned to lay wreaths on the premises of the Indonesian Consulate building here at 2000 hours local time.

ANTARA's correspondent in Dili reported on Wednesday evening that commander of KRI [Republic Of Indonesia Ship] Yos Sudarso Marine Colonel Winarno at 0632 hours (Eastern Indonesian Time - EIT) had ordered Lusitania Expresso Captain Luis dos Santos to go back immediately to the high seas when the ferry just entered the Indonesian water territory, 12 miles from the Timor Sea.

Before the ferry entered the Indonesian waters, the KRI Yos Sudarso Commander had given a warning to the Portuguese ferry's captain that his 1,622 dwt vessel was about to enter the Indonesian territory illegally.

But the obstinate ship's captain steered forth to the Indonesia's water border forcing Colonel Winarno to issue a second order and only then the ship which sailed under the Portuguese flag to fulfill a provocative mission to East Timor, turned its bow to 180 degrees sailing back in the direction of Darwin.

Meanwhile reports received by ANTARA from KRI Kerapu also on Wednesday afternoon said that two warships of the East Indonesia fleet viz. KRI Yos Sudarso and KRI Ki Hajar Dewantara had driven the ferry carrying 120 passengers including students, journalists and activists, away to the high seas.

At a point of some ten miles from the Indonesian water territory Lusitania Expresso found time to put out its engines and the activists on board threw ten wreaths into the waves.

A festive mood had prevailed aboard the old 8-10 knot speed vessel but when entering the Indonesian water territory the atmosphere was rather tightened.

KRI Ki Hajar Dewantara at 2000 hours (East Indonesian Time) was sailing against the Portuguese ferry which was about 70 miles away from the Indonesian borders.

Then when the ferry was about five miles away of the borders, the KRI Yos Sudarso sailed against the ferry to establish a radio communication and issue the order to quit from the Indonesian territory.

Commander: Boat Turned Back Legally

BK1203073192 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 12 Mar 92

[Text] The chief of the Indonesian Navy Eastern Region Command Fleet, Rear Admiral Tanto Kuswanto, denied foreign reports that the procedure undertaken by the Navy yesterday to divert the Portuguese boat, Lusitania Expresso, was not in accordance with international procedures. This was stated by Tanto Kuswanto this morning before newsmen who were covering reports on the Lusitania Expresso's planned voyage into Indonesian territorial waters. Sudirman Hala has a direct report from the deck of the Indonesian Navy warship Teluk Banten.

[Begin Sudirman Hala recording] The chief of the Indonesian Navy Eastern Region Command Fleet, Rear Admiral Tanto Kuswanto, stressed that the procedure carried out by the Indonesian Navy is in accordance with existing laws and in accordance with the 1982 United Nations Convention of the Laws of the Sea [UNCOLS]. Therefore, according to the Navy chief, Indonesia is in a legitimate position. This was stated by the rear admiral to newsmen on the main deck of the Teluk Banten on Thursday morning in connection with foreign reports which said that Indonesia had violated international laws when the Navy drove off the Lusitania Expresso. He said the laws applied by Indonesia and Portugal differed because Portugal referred to the maritime laws of 1958, that is, the 1958 Geneva Convention which is not recognized by Indonesia, while Indonesia applied the 1982 UNCOLS which was ratified with Regulation No. 17 of 1985. Portugal applied the 1952 Geneva Convention of the three mile shore-to-sea limited maritime territorial boundary. On the other hand, Indonesia applied UNCOLS' 12-nautical mile limited maritime

territorial boundary. Portugal applied the Geneva Convention for its advantage. It applied maritime laws in contravention of Indonesia's maritime laws. Chief of the Indonesian Navy Eastern Region Command Fleet, Rear Admiral Tanto Kuswanto, again stressed that the report, which stated that the Indonesain Navy had violated international maritime laws, was expected. According to the Navy chief, the Indonesian Government had anticipated such a report and the fact that Portugal would stand by the Geneva Convention. But according to the Navy chief, Indonesia took the right course of action and did not resort to any physical action—without even firing a warning shot. This is Sudirman Hala reporting direct from KRI [Republic of Indonesia ship] Teluk Banten, which is approximately 17 km east of Dili. [end recording]

Organizer Rules Out Return of Boat

BK1203021992 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 12 Mar 92

[Text] The organizer of the Portuguese ship Lusitania Expresso said the vessel would not try to return to Indonesia's youngest province of East Timor after the Indonesian Navy issued an order to change its course yesterday morning.

Reports from ANTARA correspondents in Darwin stated that passengers of the ship expressed satisfaction over their opportunity to carry out a flower-strewing ceremony along the international maritime boundary.

The Indonesian Government has repeatedly stated that the mission was none other than a provocative effort based on a political ploy to create tension in East Timor.

Minister on Political Campaign Against Portugal

BK1203014492 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 12 Mar 92

[Text] Speaking during a workshop session with Parliamentary Commission I [concerned with foreign affairs, defense, and public information issues] in Jakarta yesterday, Foreign Minister Ali Alatas said the Indonesian Government would continue its effort to launch campaigns to counter Portugal's anti-Indonesian Government campaigns—particularly through bilateral contacts with countries that are currently uncertain about Indonesia's stance on the East Timor issue.

Minister Ali Alatas said, among other things, that the government will carry out campaigns against Portugal's negative anti-Indonesia campaigns at various international forums, particularly with United Nations agencies.

Continuing his address during the Parliamentary Commission I workshop session chaired by Deputy Chairman Theo Sambuaga, Foreign Minister Ali Alatas clarified that efforts to be made in campaigns against Portugal or any other anti-Indonesian elements will be, among other things, to further provide more detailed information concerning all aspects of the East Timor issue. According to Foreign Minister Ali Alatas, such aspects will include actions undertaken by the Indonesian Government in the process of resolving problems resulting from the 12 November 1991 Dili incident.

Portugal's Negative Campaign Decried

BK1203090892 Jakarta ANTARA in English 0719 GMT 12 Mar 92

[Excerpts] Jakarta, Mar 12 (OANA-ANTARA)—The Indonesian Government would take further steps to counter the Portuguese campaign, among others through bilateral steps particularly towards countries which so far had been critical or doubtful about Indonesia's position in the East Timor issue hearing with Commission of the Indonesian Parliament [concerned with foreign affairs, defense, and public information issues], on Wednesday night, Indonesian Foreign Minister Ali Alatas further said that apart from the bilateral steps, the government would also counter Portugal's negative campaign at various international forums, particularly United Nations agencies. [passage omitted] [sentence as received].

Answering commission members on the recent visit to East Timor of UN secretary general personal envoy Amos Wako, the foreign minister said that he was reported to have submitted a report on the result of his visit, enclosing action proposals to the UN secretary general.

"Now we have to wait for the UN secretary general's evaluation", on possible obstacles in a successful implementation of the tenth Non-Aligned Movement (NAM) summit in Jakarta in September this year, the foreign minister said that the challenge faced by Indonesia, was the responsibility of preparing material for the meeting in the form of documents which would be discussed and ratified by the NAM summit [sentence as received].

These documents should show Indonesia's idea on the role and future of the NAM in facing current world developments, he added.

The minister informed that the NAM had so far contributed to the democratization of international relations, peaceful coexistence in in a sphere of freedom, justice and welfare.

In facing new challenges, the NAM should formulate new strategies, initiatives and approaches which would guarantee the role of the NAM in determining the course of world developments, particularly in safeguarding the basic interests of the non-aligned countries.

To achieve NAM objectives in this changing world, realistic changes should be made in the priority set-up, the foreign minister remarked.

He further explained that the national committee of the tenth NAM summit was set up as follows: Chairman: Minister/State Secretary; Vice Chairman/Chairman of

the steering committee: Foreign Minister; Secretary General: Rais Abin, assisted by Nana Sutresna and H. Abdul Kadir.

The National Committee chairman would be also assisted by a number of advisers, consisting of cabinet ministers.

On the government's view on the results achieved by the UN Security Council summit recently, Ali Alatas said that the results had been positive, but Indonesia was still hoping for further democratization in the UN organization's structure.

It was Indonesia's hope which was in line with that of the other NAM countries, that a more balanced power be given to the General Assembly of the United Nations in order to strengthen efforts towards international peace and security, including in preventing domination in international political relations by the Security Council, particularly its five permanent members, Alatas said.

The foreign minister explained that the results of the Security Council summit were positive, particularly in the framework of efforts to maintain international peace and security, in boosting the role of the United Nations, disarmament and the prevention of proliferation of arms of mass destruction.

On the latest developments in Cambodia, Alatas said that general elections in that country were expected to take place by April-May 1993.

Conform to the request of the UN secretary general, he said, Indonesia would dispatch one infantry battalion to Cambodia to assist the UN Transition Administration in Cambodia (UNTAC).

Radio Urges Talks With Portugal on Timor Issue

BK1203040592 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 12 Mar 92

[Station commentary]

[Text] Indonesians throughout the nation were disappointed over the old ferry Lusitania Expresso's mission to Dili even though the Indonesian Government had strongly forbidden it from entering East Timor waters. This was because the vessel, with its 132 passengers on aboard, was on more of a provocative mission than a friendly one.

Nobody has ever raised the issue of East Timor's integration into Indonesia. East Timorese are currently living comfortably in the presence of their own community in other districts of the province. Besides, it could be considered that the international community has no more questions to ask Indonesia concerning the actions it undertook in solving the 12 November Dili incident. Foreign Minister Ali Alatas delivered his clarifications on this issue during his recent visit to several nations. Therefore, it is clear that the Lusitania Expresso's politically motivated provocative mission cannot be permitted to go through—in whatever manner it may conceive. On the other hand, the mission's objectives could be confronted with utter disappointment if it went ahead with its planned manuever. This was the opinion of several nations. In other words, Portugal and its supporters would face more risks for disregarding international ethics and laws.

For Indonesia, it is a clear case of upholding and safeguarding its sovereignty and integrity. Indonesia's sovereignty and integrity, including that of East Timor—is a top priority that is indisputable. Any nation would embark on a similar measure if it was faced with a similar problem. This is because Indonesia has always respected the sovereignty and integrity of other nations. Likewise, it expects other nations to respect its sovereignty and integrity. However, if any nation does not grant us such respect, Indonesia will reciprocate in a similar manner. This does not mean that Indonesia demands such respect. It is a common practise among sovereign nations to respect one another in the global community.

Therefore, it is now up to Portugal to decide whether or not it wants to discuss this matter amicably or otherwise. The United Nations made a similar suggestion. It is clear that Indonesia has always been and is willing and prepared to discuss the issue.

Laos

Trip by Economic Minister to Australia Previewed

BK1103123892 Vientiane KPL in English 0909 GMT 11 Mar 92

[Text] Vientiane, March 11 (KPL)—Australian companies hoping to invest in Laos will have an opportunity to discuss their plans with the Lao minister of foreign trade and economic relations, Colonel Phao Bounnaphon, during talks in Australia next week, according to a news release of the Australian Embassy here.

The minister for foreign affairs and trade, Senator Gareth Evans, announced today that Mr. Phao would arrive in Sydney on 1 March [date as published].

Mr. Phao is the most senior Lao Government member to come to Australia in 20 years and will be accompanied by his vice-minister, Mrs. Khempheng Phonsena.

Senator Evans said Mr. Phao would have important talks with a number of Australian business leaders whose companies have begun plans for substantial investment projects in Laos.

Since 1985, the Lao Government has implemented a series of liberal market-oriented reforms and encouraged foreign investment.

"Enormous opportunities exist for Australian companies in Laos' mining, energy, and telecommunications areas and we are pleased that Mr. Phao is able to visit to discuss these plans and to see first hand what Australia has to offer," Senator Evans said.

Mr. Phao will visit Sydney, Canberra, Melbourne, and Brisbane.

He will meet the junior minister for trade and overseas development, Mr. John Kerin, and the minister for industry, technology, and commerce, Senator John Button.

Australia has had diplomatic relations with Laos since 1952 and a resident mission in vientiane for more than 30 years. Australia is one of the largest aids donors with a budget in the current financial year of $8.5 million.

During the visit, Mr. Phao also will inspect a gold mine and a copper mine at Cobar in New South Wales and a number of other major Australian projects.

Mr. Phao will hold a media conference in Canberra on 11 March.

Officials Return From Various Trips Abroad

Mounkeo Olaboun From SRV

BK1103133392 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 11 Mar 92

[Text] Mounkeo Olaboun, minister of information and culture, returned to Vientiane capital yesterday after ending a one-week visit to Vietnam.

During his stay in Vietnam, Mounkeo Olaboun and Tran Hoan, SRV minister of culture, information, and sports, signed a protocol on information and cultural cooperation for 1992. In addition, the delegation from the Lao Information and Culture Ministry also visited some Vietnamese cultural establishments such as the Hanoi Music Institute, the Vietnamese Central Fine Arts University, the office of the (?Kommunist) Magazine, and many mass media organizations. They also toured some economic foundations in northern Vietnam. At the same time, the Lao delegation also called on Nguyen Khanh, vice chairman of the SRV Council of Ministers; and held a working meeting with the delegation of the SRV Ministry of Culture, Information, and Sports.

Vice Prime Minister From Geneva

BK1103093492 Vientiane KPL in English 0902 GMT 11 Mar 92

[Text] Vientiane, March 11 (KPL)—Mr. Khamphoui Keoboualapha, vice prime minister and minister of economics, planning, and finance, and his delegation arrived home yesterday after attending the UNDP [UN Development Program]-sponsored conference on economic development in Laos in Geneva, Switzerland, on 4 March.

The conference, organised by the UNDP for the fourth time with an aim to soliciting funds for the development in the Lao People's Democratic Republic, was taken part by representatives of 16 countries and 10 international organisations in addition to the representatives of the UNDP and of the UNICEF in Laos.

The socioeconomic and cultural development draft in the Lao PDR [People's Democratic Republic] for the 1991-1995 period consisting of 30 projects in various fields will require U.S. $745 million aid from international community.

Maisouk Saisompheng From China

BK0903153992 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 9 Mar 92

[Text] Yesterday afternoon, Maisouk Saisompheng, member of the party Central Committee and chairman of the Lao Front for National Construction [LFNC] returned to Vientiane after ending a one-week official visit to the PRC at the invitation of the Chinese People's Political Consultative Council [CPPCC].

During his working visit to the PRC, Maisouk Saisompheng met with Hong Xuezhi, vice chairman of the National Committee of the Chinese People's Consultative Council, and Qiao Shi, standing committee member of the Communist Party Politburo. At each meeting, the host and guest informed each other of the situation in their respective countries. They also expressed satisfaction to see that the solidarity, friendship, and cooperation between the two countries have been developed with new quality. In addition, the LFNC chairnman and party also visited a number of industrial and agricultural production establishments and some ruins in Beijing, (?Guangxi Province), and Kunming in Yunnan Province where they were warmly welcomed by local political consultative councils and people.

During his visit, the LFNC chairman also gave an interview to the Beijing Radio Lao service, pointing out that his visit constitutes an important contribution to the development of the relations of friendship and cooperation between the two parties and peoples of Laos and China and strengthening the LFNC Central Committee and the CPPCC.

Article Warns People Against Country's Enemies

BK1103101992 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 11 Mar 92

[Feature: "Increase Self-Vigilance and Pay More Attention to National Defense Tasks and Maintenance of Tranquility"]

[Text] The situation inside the country and the world seems peaceful and free from any threat or confusion and unrest caused by the enemy. However, it is changing in part and in the most confusing manner. There have been negative phenomena in some parts of the world. For example, The East European socialist countries have

collapsed. However, the imperialist and hostile forces have not discarded their sinister schemes of destruction against the governments of countries which adhere to independent political and economic policies. As for the Lao People's Democratic Republic, the hostile and the Lao rebels in exile in collaboration with external reactionaries have continued to undermine our country in all areas. Dividing themselves into units and groups to infiltrate into the country, they have ambushed buses and trucks in remote areas, plundered food supplies, and killed passengers. They have launched small-scale attacks to establish strongholds in some areas. Moreover, they have also dispatched ultrareactionary elements in disguise as refugees into the country and have exploited international organizations, foundations, religious bodies, and others. These elements have launched a psychological warfare to confuse the people by raising the weaknesses of our administration. Discontent and discouragement among cadres and people are stirred up and the leadership of our party and government is discredited. By so doing, they sow discord among the multiethnic people and separate us from our international friends to weaken us. This is part of their scheme to affect changes through non-violent means and to attempt to create unrest against our new regime.

Despite their dark schemes, our Armed Forces and people have been implementing the comprehensive policy of national defense and maintenance of peace and security. They have been developing strong grass-roots contacts and are simultaneously fighting the multifaceted subversion of the hostile forces to defend national independence, sovereignty, and territorial integrity. We have managed to maintain social peace and order, conditions which enable our people to labor in peace.

At any event, we cannot simply be satisfied with such achievements. The hostile forces and bad elements are not expected to give up their attempts to destroy our new regime presently as well as in the future. More than ever before, our entire Army and people must increase self-vigilance and pay attention to national defense tasks and the maintenance of tranquility. Everyone must consider national defense our number-one strategic duty and the undertaking of the entire people. This must be tightly bound to every sphere of work. Under the new circumstances, we must enhance national solidarity and unity; promote reconciliation among tribes in the national community; enhance the spirit of patriotism and revolutionary traditions of safeguarding national independence, sovereignty, and territorial integrity; secure political stability and social peace and order; and pay attention to the defense of the party and popular democratic system, rights, freedoms, life, property, and conditions under which the multiethnic people can labor in peace.

To accomplish these aims, we must build up our Armed Forces both quantitatively and qualitatively so that they are capable of defending the country, its peace, and security. At the same time, we must build a comprehensively strong main force and significantly upgrade our regional force so that they are capable of defending their localities. We must build the field postion for national defense and maintenance of tranquility by turning to the grass-roots. Here, we should implant political consciousness and a high sense of self-vigilance among the people; improve the party's and government's grass-roots organizations; upgrade the people's living conditions; organize the people to systematically act as eyes and ears for the administration; with our high sense of responsibility, follow up movements of the bad elements who intend to undermine and topple our new regime; and take the initiative to coordinate the tasks of national defense and socioeconomic development so that they can be advanced more effectively.

Philippines

Ties Delayed Until DPRK Opens Nuclear Plants

HK1203111092 Hong Kong AFP in English 1009 GMT 12 Mar 92

[Text] Manila, March 12 (AFP)—The Philippines will delay establishing diplomatic relations with North Korea until Pyongyang opens its nuclear facilities to international inspection, the Department of Foreign Affairs said here Thursday [12 March].

Aides said Acting Foreign Secretary Pablo Suarez stated that although Manila planned to seal ties with North Korea last year, it did not want to do so while the nuclear issue was "brewing."

Manila moved to formalize ties with Pyongyang in 1991, partly to cut off North Korean support to local communist insurgents.

However the North Korean government has been under pressure to allow its nuclear facilities to be inspected by international agencies amid reports that it was trying to develop nuclear weapons.

U.S. Hostages May Be Held Until After Election

HK1203065192 Quezon City DWDD Defense Department Radio in Tagalog 0400 GMT 12 Mar 92

[Text] The communist New People's Army [NPA] may not release its American prisoners until after the 11 May elections. Armed Forces Spokesman Colonel Ernesto Carolina said the NPA is using the two prisoners as examples for other foreigners whom they are eyeing to victimize. Carolina said the rebels have intensified their fund collection activities in response to the loss of financial contributions from Europe, Australia, and other countries. The NPA has admitted they are holding Arvey Duane Drown, a retired U.S. Army officer they kidnapped in the Cordilleras who has now been a hostage for 18 months.

The second American is Michael Barnes, vice president of Philippine Geothermal Incorporated, who was abducted by armed men in front of his Makati office on 17 January.

Talks Between Government, Communists Cancelled

Communists: Government Halted Talks

HK1203033192 Quezon City MALAYA in English 12 Mar 92 p 2

[Text] Communist rebel leaders said a government team had cancelled an overseas meeting aimed at ending the 22-year communist insurgency.

Four officials led by Gen. Lisandro Abadia, Armed Forces chief of staff, were due to meet a National Democratic Front [NDF] panel in Brussels on March 9-10, said NDF spokesman Luis Jalandoni.

In a statement from Utrecht received by news agencies yesterday, Jalandoni said Defense Secretary Renato S. de Villa decided four days beforehand to cancel the meeting.

"The official reasons given were that the (Philippine) delegation was worried that the NDF would use the talks for propaganda purposes and that the delegation needed more time to prepare and coordinate among themselves," he said. "It is the Aquino government that has to prove its sincerity in holding serious peace negotiations with the NDF."

Last week, President Aquino denied peace talks were in progress after Communist Party founder Jose Ma. Sison said the government and the rebels were moving towards negotiations.

Aquino Says Position Unchanged

HK1203121192 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 12 Mar 92

[Text] President Aquino said the government did not renege on the scheduled peace talks aimed at solving the 20-year old insurgency problem. Here is Tanny Rodriguez with the details:

[Begin recording] In her press statement, the president said the government's position on the resumption of peace talks remains unchanged. However, Malacanang said this is being carried out in the local level. The president stressed that from the time the decision was reached, the government has not changed this position. Earlier, the communist rebels accused the government of withdrawing from the scheduled peace talks in Brussels next month. President Aquino allegedly cancelled this four days before the scheduled session. The National Democratic Front said the representatives of both sides, including General Lisandro Abadia, the Armed Forces chief of staff, were supposed to meet on 9-10 March at the European Parliament building in Belgium. [end recording]

Rebels Accuse Government of Insincerity

HK1103044392 Manila PHILIPPINE DAILY INQUIRER in English 11 Mar 92 pp 1, 13

[By Jerry Esplanada]

[Text] The National Democratic Front (NDF) yesterday accused the government of "deliberately distorting and misrepresenting" the NDF position on the holding of peace talks.

In a related development, Foreign Secretary Raul Manglapus, who is now in Brussels for a Christian Democrat assembly, "may pass by the Netherlands for a meeting with NDF leaders," a DFA [Department of Foreign Affairs] official said yesterday.

Jose Ma. Sison, chairman of the Communist Party of the Philippines, is based in Utrecht, east of The Hague.

Manglapus, however, said the other day the government had no plans to resume negotiations after previous peace initiatives failed.

In a press statement, Luis Jalandoni, NDF vice chairman for international affairs, said the Aquino administration was trying to "evade entering into formal negotiations with the NDF for a comprehensive settlement of the armed conflict."

At the same time, the NDF also urged President Aquino and Executive Secretary Franklin Drilon to "stop trying to fool the people and to earnestly join the NDF in the pursuit of a just, enduring and liberating peace."

Ms. Aquino the other day questioned the sincerity of communist leaders to hold peace talks with the government to end the 22-year-old communist insurgency in the country.

The President was referring to reports quoting Sison as saying the government and the NDF were moving toward negotiations to end the conflict.

Ms. Aquino denied there are ongoing peace negotiations between the military and the rebels on the national level.

Last September, the NDF declared a unilateral ceasefire when a clear trend developed in the Senate to reject the new RP [Republic of the Philippines]-U.S. bases treaty.

According to Jalandoni, "instead of similarly ordering a ceasefire, President Aquino abetted or at the very least tolerated, the intensified onslaughts by the AFP [Armed Forces of the Philippines], PNP [Philippine National Police] and CAFGU [Citizens Armed Forces Geographical Unit] on NPA guerrilla fronts in Northern Luzon, Samar Island and various other places in the country."

"While letting her troops step up her 'total war' policy, Mrs. Aquino also ignored the NDF's call for a new round of peace talks," Jalandoni said.

He noted that "under those circumstances, the NDF lifted the ceasefire order on Sept. 21, since not a single one of the conditions for the unilateral ceasefire was forthcoming."

On the government's "oft-repeated but oft-frustrated desire" to enter into negotiations with the NDF, Jalandoni said "this precisely bespeaks the regime's lack of sincerity since it is premised on the laying down of arms by the revolutionary forces."

"This, as we have said time and again, is totally out of the question," he added.

UN Request for Cambodia Peacekeepers Considered

HK1203031792 Manila BUSINESS WORLD in English 12 Mar 92 p 12

[Text] The United Nations Security Council has asked the Philippines to furnish a battalion of soldiers for the UN Transition Authority in Cambodia (UNTAC), Foreign Affairs Undersecretary Pablo Suarez told reporters yesterday. "Indonesia and Malaysia have each sent a battalion of about 850 men," he pointed out. "Now the UN is asking us for one battalion as well." In the Philippine order of battle, a battalion has approximately 650 men. "We have endorsed this request to the Department of National Defense," Mr. Suarez said, noting that the Philippines had previously offered to participate in peacekeeping operations in Cambodia. The greater part of the cost of the UNTAC operation is being shouldered by Japan, but it was still unclear whether that country would send its own armed component. The UNTAC will administer Cambodia prior to and during elections for a new government there. "We might have to send less than the full complement of men since we have our own elections to think about," Mr. Suarez said.

Manila Assures Donors on Aid Utilization

HK1203031092 Manila BUSINESS WORLD in English 12 Mar 92 pp 1, 6

[By Maria Lourdes Reyes]

[Text] Hong Kong—The Philippine Government will assure its foreign aid donors today of its commitment to pursue efforts at improving aid utilization and keep within its economic stabilization program (ESP) at the opening of the consultative group (CG) meeting for the Philippines here.

"This meeting," Socio-economic Planning Secretary Cayetano W. Paderanga Jr. said in his prepared speech to the representatives of the 22 donor countries and 11 multilateral funding agencies (MFAs), "gives us the opportunity to assess the country's development efforts, while assuring our friends in the international community of our continued efforts at more fully and efficiently utilizing the resources extended to us, within the context of a sound and coherent development program."

The CG meeting is the third held under the Aquino Administration for the Philippine Assistance Program (PAP) which has raised some $6.8 billion in financial support from major donor countries since its launching in July 1989.

During the two-day meeting, though, the major focus will be on the assessment of the economic performance rather than the raising of funds since the funding issue is not a critical issue in the Philippines anymore, according to the World Bank which called the meeting.

Also, the foreign donors would prefer to make their pledges to the new administration to express their continued support for the Philippines.

In its assessment, the Philippine Government will present how it fared and intends to attain a stronger growth rate of about 2.5%-3% from the 0.05% contraction in economic growth last year.

"We have more reasons to be optimistic this year," Mr. Paderanga said in his speech. "We expect that the measures we have put in place will ensure a recovery leading to a modest growth rate of anywhere from the 2.5% to 3% during the year."

"Among the measures we undertook which give us a cause for optimism are the reduction of the import levy from 9% to 5% in August and its eventual phase-out in mid-1992; the liberalization of foreign exchange regulations; the passage and affirmation by the Supreme Court of the Foreign Investment Act, which we expect to attract substantially higher investments and create more employment opportunities; and our successful reduction of inflation," Mr. Paderanga added.

Other Reforms

The Aquino Government also claimed credit for other major reforms in agriculture, tariffs, financial sector, public sector, and social sector. These include: dismantling of monopolies, lifting of copra export ban, reduction of trade protection levels, strengthening of banking industry, tax reforms, and extension of greater budgetary support for education, health and housing and other social services.

These positive measures will pave the way for a recovery in 1992.

The Government will have to present a stronger case for its utilization record. While government officials claim credit for improving the availment rate of ODA [Official Development Assistance], some foreign donors have a varying opinion.

The availment rate refers to the percentage of budgetted project aid used during a specific period. Based on latest data, the availment rate was at 77% at the end of December 1991, lower than the 84% availment rate recorded in end-1990, but still higher than the 73% rate recorded in end-1986.

Bottlenecks

While this may show an amount of progress, donors are more interested in the "utilization rates" which reflect the speed at which the allocated project is actually spent, whether or not it was budgeted for the said period.

The Japanese Government is among the most vocal in sounding off its complaints on the "procedural and policy bottlenecks" of aid implementation.

The Philippine Government hopes to address these issues during this meeting where most of the donor countries are expected to say a lot about the problems in aid utilization.

Thailand

Foreign Minister on Cambodian Aid, Burmese Ties

BK1103141592 Bangkok Army Television Channel 5 in Thai 1230 GMT 11 Mar 92

[Text] Foreign Minister Asa Sarasin has said that the world community praises Thailand for sending troops to build the Poipet-Sisophon highway and clear landmines in Cambodia. He said Thai mine clearing personnel, which also train Cambodians in mine clearing, emphasize personal safety in order to ensure minimal risk.

[Begin recording] [Unidentified reporter] Is it possible for us to let the Cambodians clear the mines themselves?

[Asa] We are training Cambodians on mine clearing methods. We emphasized to our troops that they must take as little risk as possible.

[Second reporter] Many people are saying that we are not paying attention to future relations between the Thai and the Burmese peoples should Saw Maung lose power.

[Asa] We certainly pay attention to relations between the two peoples. The main objective concerns the Burmese with whom we are trying to create friendship. We are giving occupational training to Burmese students who are staying in the safe areas [two preceding words rendered in english].

[Second reporter] But we are recognizing the Saw Maung government.

[Asa] Certainly, we must have contact with any government that is in power in Burma because we share some 2,500 km of common border. We cannot avoid it.

[second reporter] Does it not contradict the opinion of the world community which views the Saw Muang [interrupted by Asa]

[Asa] No. The world community does not share a border with Burma like Thailand does. [end recording]

On 'Assistance,' 'Sacrifice'

BK1103120592 Bangkok Voice of Free Asia in Thai 1030 GMT 11 Mar 92

[Text] In an interview with correspondents at 0900 today on the conduct of Thai foreign policy toward Cambodia, Foreign Minister Asa Sarasin said Thailand had carried out various measures to achieve peace in Cambodia and that durable peace in Cambodia will create cooperation among the neighboring countries and bring prosperity to the region. Asa said he wanted the world to be aware of the assistance and sacrifice Thailand gave to the restoration of peace in Cambodia even though Thailand was not alone in attempting to restore peace in that country. He said peace in Cambodia will bring cooperation and constructive things which will benefit neighboring countries.

Asked about Cambodian refugees, Asa disclosed that repatriation of the first batch of refugees will begin on 30 March and that it is hoped that 10,000 will be repatriated each month until all refugees return home.

Concluding, Asa emphasized that Thailand is one of the countries which has always tried to create peace and assist the neighboring countries of Burma, Laos, Cambodia, and Vietnam.

Release of 102 Burmese Students Approved

BK1203011392 Bangkok BANGKOK POST in English 12 Mar 92 p 6

[Text] Interior Minister Itsaraphong Nunpakdi yesterday approved the release of 102 Burmese students held in detention for several months, officials reported yesteday.

Their release is imminent, pending arrangements for a senior ministerial official to preside over the event, they added.

All the 102 have been identified as genuine students and issued with identification cards authorising their temporary stay in Thailand, the officials noted.

The students are free to live in Bangkok until the opening of a safe area in Pak Tho District of Ratchaburi but will have to report monthly for extensions to be stamped on their cards, they said.

Concerned authorities earlier expected the safe area to be ready to receive the first batch of students around the end of May. But senior government ministers earlier this week urged the Interior Ministry to speed up the process, calling for preparations to be completed as soon as possible.

The 98 include 38 students who have been detained at the Bang Khen Police Academy since July 2 last year when they staged a demonstration calling for political refugee status. They are joined by others originally held at the Immigration Detention Centre.

Prachakon Thai Party Platform Outlined

BK1103021192 Bangkok THE NATION in English 11 Mar 92 p A1

["Third of an election series focusing on the platforms of parties"]

[Text] Prachakon Thai Party leader Samak Suntharawet will push for the establishment of middle and outer ring-roads around Bangkok if the next prime minister offers him the communications portfolio.

Samak told The Nation yesterday that there were many projects which he had initiated when he was at the Communications Ministry and he could follow them up if he was in charge.

He also would not mind running the Interior Ministry "because I used to head it once".

If he returned to the Interior Ministry, Samak said, he would give top priority to strengthening the suppression of crime.

Samak voiced objection to the proposal to elect governors in developed provinces, saying this would lead to the creation of numerous small sovereign states.

Asked to comment on the proposal for election of village headmen with fixed terms, Samak said that the present system was generally "not too bad".

What should be done, he said, was to upgrade the roles of tambon councils to replace provincial organizations (Ongkan Borihan Suan Changwat) which are now under the control of provincial governors.

The way to go about it is to give legal status to tambon councils so they would be able to run local affairs, he said.

But Samak said that he was not bargaining for portfolios in advance.

"My approach is that we would wait for offers to come during possible negotiations to form the next government. Then, we would pick the right people for the portfolios offered. For example, if we were offered the PM's [prime minister] Office ministerial post, then Khun Yenchit Raphipat would be nominated. If we were given the post of deputy finance minister, then deputy party leader Manasak would be named for that post," he said.

For the Communications Ministry, Samak said the completion of the ongoing project to build the 148-km outer ring-road and the launching of a 100-km middle ring-road project would form the basis for the establishment of a network of roads to allow traffic from provinces thoughout the country to avoid the capital. Supplementary roads would also be built to cut through the three ring-roads to link with the major highways to the capital and all provinces, he said. The network plan is the cornerstone of Samak's policy to alleviate traffic problem. This would be followed up by the introduction of a monorail mass transit system for the metropolis, he said.

In addition, he also envisaged the construction of a fifth highway westward from Uthai Thani, passing Chai Nat, Sing Buri, Angthong and Kanchanaburi, then veering southwards to Ratchburi and Pranburi respectively. This new highway linking the Central Region to the South would not go through Bangkok and thus lessen the traffic flow through the highly-congested capital, he said. The system, he said, would pave the way for the founding of satellite towns on both sides of the highways, two or three on each side.

He claimed the construction of roads would be completed in two years.

Samak expressed objection to the proposal for the government to pass the city plan legislation to regulate land use in Bangkok.

"The city plan alone would not solve problems. They must be solved first before the introduction of the legislation which would conform with reality, otherwise the law could act as an impediment," he said.

Samak said that the problems of expropriating land for the projects had already been solved by the adjustment of official land prices and the order by the National Peacekeeping Council for government agencies to base their compensation payment for owners of property on the prevailing market prices.

Samak also said that a bullet train system should be established to link Bangkok and Phatthaya, and from Bang Lamung district in the tourist town a road should be cut to Aranyaprathet district to link the highway to Sisophon and Seam Reap in Cambodia. A coach service should also be provided between Banglamung and Seam Reap, he said.

Samak's other plans include:

—Nong Ngu Hao international airport project. Samak said the western area of Don Muang Airport should first be reorganized for optimum use, to allow the international airport to cope with the increasing number flights, pending the construction of a new international airport. He expects the new project to take 10 years to materialize.

He said that he still prefers the existing airport in Kampaeng Saen of Nakhon Pathom as the site for the construction of the new international airport because the investment cost would be far less.

"If I were in the next Cabinet, then naturally I would push for a review of the plan for the Nong Ngu Hao project," he said.

—Eastern Seaboard project: Samak said that the objectives of the industrialization project must be fulfilled

through deregulation. The main obstacle to the success of the project is the existence of too many regulations, he said.

—The Southern Seaboard project: "It's only a new toy of the National Economic and Social Development Board which has become bored with the Eastern Seaboard project," he said.

Samak cast doubt on the viability of the project and called for a feasibility study before the government committed itself.

Grand plan for the Northeast: The Prachakon Thai Party leader also has a grand plan for the Northeast.

He revived his idea of a huge reservoir to be constructed either in Nong Khai or Loei to tap the flow from the Mekong River when it has excess water for six months of the year.

Then a giant water tunnel, four metres in diameter, should be laid from the northern area of the Northeast across to the South.

Branch tunnels should be laid along highways and roads in the Northeast to serve towns and villages.

The water would be distributed through the network by gravity, he said, pointing out that the Northeast was a huge plateau with slopes on both sides.

"Even if it required tens of hundreds of millions baht in investment cost, we have to do it because it would solve the persistent drought in the region," he said.

Samak also outlined the following ideas for farmers:

—The government must replace middlemen in dealing with farmers by making it easier for them to get loans from the Bank for Agriculture and Agricultural Cooperatives.

"The strange thing is that the middlemen trust farmers but the government doesn't," he said.

He added that the government should also "freeze" the debt repayment required by farmers while promoting the roles of agriculture cooperatives.

The cooperatives, he said, should be encouraged and given support to act as middlemen, he added.

—Establishment of agro-industries is the main thrust of his policy to increase farmers' incomes.

—The government should also recognize the presence of farmers in denuded forest reserves by issuing with them land title deeds.

Uncertainty Over Next Prime Minister Reported

BK1103022792 Bangkok THE NATION in English 11 Mar 92 p A8

[Editorial: "Doubts about next PM should be cleared up"]

[Text] The general election is less than two weeks away but there is still widespread uncertainty among the political parties about their collective ability to agree on the selection of a prime minister from the elected members of the House of Representatives. So far only four parties—New Aspiration, Democrat, Phalang Tham, and Solidarity—have openly vowed to support only party leaders who are MPs [members of parliament] as candidates for the premiership. Others like Chat Thai, Samakkhi Tham and Social Action deliberately leave all options open in anticipation of military intervention in nominating an "outsider" (a non-MP) to lead the new coalition government.

This uncertainty comes from the lingering doubt about the real intentions of the leaders of the National Peacekeeping Council [NPKC]. This is an unhealthy situation that must be cleared up now.

Based on what army chief Gen Suchinda Khraprayun declared in a press conference last November, we must take his word that neither he nor anyone else on the NPKC will accept the next premiership under any circumstances. So all the speculation about his and air force chief ACM [Air Chief Marshal] Kaset Rotchananin's political ambitions is uncalled for.

The Constitution of 1991 says the NPKC chairman, Gen Sunthon Khongsomphong, will select the 270 nominees for royal appointment to the new Senate. In practice, however, military leaders such as Gen Suchinda and ACM Kaset will also have a direct role in the selection. They will certainly be nominated, along with many other members of the top brass. Thus the NPKC leaders have paved a way for their continued political participation, at least for the four years following the election.

The senators will enjoy equal power with that of the MPs when it comes to approving emergency decrees and censuring a prime minister and his Cabinet. Many politicians say this is more than what the NPKC leaders deserve and they have vowed to work for constitutional amendments to strip the senators of these extraordinary powers.

Even though no one from the NPKC will take over the next premiership, there is still a possibility that it will lobby political leaders to endorse the nominee of its choice for the premiership. The Constitution doesn't say that only MPs can hold the premiership.

But where will the NPKC find a "superman" for the impossible job? The next prime minister will have to contend with 360 MPs from possibly 10 parties, plus 270 senators over whom he will have little or no control.

Remember, even a highly-talented and well-respected man like Prime Minister Anan Panyarachun, who many still believe has done a fine job despite his unfamiliarity with chronic social problems finds it very difficult indeed to get things done.

And he didn't even have to worry about politicians during his year-long interim administration as most of the law-makers in the appointed National Assembly were quite cooperative.

Remember also that even a strongman like former army chief Gen Prem Tinsulanon couldn't stand the misbehaviour of some elected politicians and had to dissolve the House three times to assert his leadership. After the third House dissolution in April 1989, he declined to accept another invitation of the same group of political leaders, who had served in his previous five administrations, to head a sixth.

Like Prem and Anan, and non-MP "outsider" needs to bring along a few friends to serve on some key portfolios on his Cabinet. This tends to be a source of irritation and conflict between him and political leaders who covet those ministerial posts.

In the final analysis, the best and most logical solution is for all the parties to support only a prime minister who comes from the House, regardless of whether or not they join his coalition government. With such a practice firmly embedded into the political ethos, the succession of power can be quite orderly. The last time Thailand saw such an orderly power succession was in March 1975, when Prime Minister M.R. Seni Pramot was unseated by a rival coalition in the House led by his younger brother, M.R. Kukhrit.

When the parliamentary system works the way it should, the military and other "outsiders" have no pretext to intervene or to seize power by unconstitutional means. But in order to make the system work, all the political leaders must believe in themselves, that they can operate without currying favour with the military leaders.

More importantly, Thai people must let it be known by all means that they want no more military intervention in parliamentary politics. By failing to effect any political reforms through the NPKC, the military as an institution has practically forfeited any future claim for a role to "protect democracy" in this country.

From now on just leave national politics to the civilians, starting with the selection of the next prime minister.

Vietnam

State Council's Communique on 9-11 Mar Meeting

BK1203133392 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 12 Mar 92

[State Council Communique on 9-11 March Meeting]

[Text] On 9, 10 and 11 March, the Council of State met under the chairmanship of Vo Chi Cong.

1. The Council of State heard a report on the preparations for the eighth National Assembly's 11th session and approved its tentative agenda. At that session, the National Assembly will pass the revised constitution, the revised law on the National Assembly and the revised law on the election of National Assembly deputies. It will also give its views on the bills on the revised law on the government, the revised law on the People's Court and the revised law on the people's organ of control. Also, it will decide on the receipt and disbursement duties of various sectors and localities in the 1992 state budget estimate, hear an inspection report on price level-I and level-II of houses, condominiums, residential quarters and villas in Ho Chi Minh city; and examine and decide on some other important issues.

2. The Council of State gave its views on the revised law on the National Assembly and the revised law on National Assembly deputies after hearing the National Assembly's judiciary committee statement on these bills. The revised bill on the National Assembly must be formed on the basis of its organizational and operational experiences and of materializing the stipulations of the draft revised constitution. These are to ensure that the National Assembly can develop its role as the highest representation of the people and the highest organ of state power. The revised bill on National Assembly deputies is formulated and aimed at ensuring citizens' rights to vote and run for election to the highest organ of state power. This bill has been compiled after consultations with National Assembly deputies and responsible agencies.

The Council of State gave its views on some specific issues and entrusted the drafting committee and responsible agencies with the tasks of perfecting these two bills and of soliciting suggestions from various sectors and localities for the 11th National Assembly session.

3. Referring to Article 35 on the regulations on taxes of people with high income and after hearing the Council of Ministers reports on the adjustment of income brackets in the income tax table and the views of the economic, planning and budget committee, and the National Assembly's judiciary committee on this issue, the Council of State has decided to adjust income brackets in the table stipulated in Articles 10 and 12 following the sliding rate of 25 percent.

4. The Council of State also listened a report by a Council of Ministers representative on the 1992 state budget estimate and on the policies and measures for settling the livelihood of workers, Armed Forces members and recipients of social policy pensions in 1992. They also heard the views of the economic, planning and budgetary committee on these two issues. The 1992 state budget estimate recalculated by the Council of Ministers had presented several positive points, compared to the one submitted to the National Assembly.

The Council of State requested the Council of Ministers to continue to perfect these two reports for submission to the 11th National Assembly session.

5. After listening to a representative of the Council of Ministers report on Decision 43-CP dated 9 March 1992 of the Council of Minister chairman on the settlement of sale prices of level I and level II houses, condominiums, residential quarters and villas in Ho Chi Minh city, the Council of State gave its views and allowed the Council of Ministers to complete its report for submission to the 11th National Assembly session.

6. As recommended by the Vietnam Fatherland Front Central Committee, the Council of State decided to extend the terms of office of some jurors of the People's Supreme Court.

Singapore Delegation Visits, Signs Agreement

BK1103065392 Hanoi VNA in English 0615 GMT 11 Mar 92

[Text] Hanoi VNA March 11—A delegation from the Singapore Manufacturers' Association (SMA) led by Chairman Robert Chua is paying a visit to Vietnam.

A cooperation document was signed on March 9 between Doan Ngoc Bong, general secretary of the Vietnam Chamber of Commerce and Industry, and Mr. Robert Chua.

The delegation visited the port city of Haiphong on March 10, and left for Ho Chi Minh City this morning.

Australia

Development Assistance Planned for Laos

BK1203035692 Melbourne Radio Australia in English 0300 GMT 12 Mar 92

[Text] Australia is to provide nearly Australian $1 million in development assistance to Laos. The minister for overseas development, John Kerin, announced the grant during a meeting in Canberra with the Loatian minister for external economic relations, Mr. Phao Bounnaphon.

About $600,000 will be used by nongovernment aid agencies in Laos to assist in English language and teacher training projects. The remainder of the money will be used to construct border control facilities associated with the Australian-funded Mekong Bridge, which will link Thailand and Laos. The two ministers also signed an agreement relating to Australia's aid program in Laos which is worth about $8 million a year.

'Worrying' Unemployment Problem Remains Static

BK1203071892 Melbourne Radio Australia in English 0500 GMT 12 Mar 92

[Text] Australia's worrying unemployment situation remains static according to the latest figures released by the Federal Bureau of Statistics. Julian Brophy reports:

[Begin Brophy recording] Seasonally adjusted, the nation's unemployment rate in February rose by just 0.1 of a percent to 10.5 percent—well within market forecasts.

The good result is in part due to the small drop in the number of employed—down 12,500 last month. This fall was offset by a rise of more than 31,000 in the number of part-time positions and a slight fall in the participation rate or the number of people actively looking for work. Nevertheless, the outlook remains grim with unemployment in all states above 10 percent. In South Australia, Victoria, and Western Australia, it is over 11 percent. [end recording]

Fiji

Rabuka Urges Protest in Event of Lost Election

BK1203090992 Hong Kong AFP in English 0844 GMT 12 Mar 92

[Text] SUVA, March 12 (AFP)—Fijian coup leader Sitiveni Rabuka has urged indigenous Fijians to rise in protest if the political party he heads loses the upcoming general election.

In a speech to supporters at a campaign meeting in Lautoka Wednesday he said the Soqosoqo ni Vakvulewa ni Taukei (SVT), of which he is president, would not lose.

But, "If we happen to lose, then you as Fijians should get together and start the struggle for your rights and what you believe in," said Rabuka, who aspires to be next prime minister.

He also warned that any more delays or change to the date of the general election could ignite "trouble".

The electoral commission announced Tuesday that polling for the first elected parliament after the 1987 coups would be held over eight days from May 16-23.

"We will protest," Rabuka told the meeting. "I do not know whether we will protest against the elections office or against the interim government, but we will protest."

Rabuka said he had initially opposed the formation of the chiefs-backed SVT party because he "was worried that the credibility of the Fijian chiefs could be questioned if they happened to lose the election".

"But it was formed anyway and when I became president, I promised that I would do my best to uphold respect of the people for tradition and their chiefs.

"I intend to carry out the fight until death."

He said he was honoured by the support given him by the Fiji Indian Liberal Party, a new party formed by a group of businessman in Western Fiji. He said it was a brave stand to make at this time.

"As leader of the two coups it has been hard for me to gain support from any Indian party," he said.

"They may have difficulty in numbers when they go to the poll but it shows their support for the Constitution and it shows that the National Federation Party is not the only party Indians in the country will be voting for."

Rabuka staged his coups after a government dominated by the descendants of Indian immigrants came to power for the first time after a general election. The Constitution has since been altered along racial lines to keep control in the hands of indigenous Fijians.

New Zealand

Hundreds Arrested in Nationwide Drug Operation

BK1103092492 Hong Kong AFP in English 0823 GMT 11 Mar 92

[Text] Wellington, March 11 (AFP)—A series of nationwide operations led Wednesday to New Zealand police arresting 238 people on a series of drug charges.

Police said three separate undercover operations based in Auckland, Rotorua, and Dunedin had netted the arrests and more were expected.

Police heading operations in Auckland and Dunedin were not prepared to place a value on drugs seized but it is understood the total in all three swoops was close to one million New Zealand dollars (546,800 U.S.).

Among drugs taken were LSD, cocaine, cannabis oil caps, hashish and cannabis leaf. In Auckland, evidence of manufacturing Bromo-DMA, a drug similar to LSD, was also discovered.

Papua New Guinea

Defense Minister Plans To Reorganize Forces

BK1003091992 Melbourne Radio Australia in English 0800 GMT 10 Mar 92

[Text] The Papua New Guinea [PNG] defense force is to undergo a thorough reorganization and modernization to play a greater role in internal security. Tabling a 10-year development plan in parliament, the defense minister, Benais Sabumei, said the force would have to play a major role in national development objectives as well as the defense and security of the nation.

The defense plan says that while PNG does not face a threat of full-scale external invasion, it is under attack from organized gun-running, huge compensation demands, youth unrest, lawlessness, and drug trafficking.

Solomon Islands

Paper Claims Mamaloni Banned Bougainville Report

BK0603094992 Melbourne Radio Australia in English 0500 GMT 6 Mar 92

[Text] It has been reported in Honiara that the Prime Minister's Office has pressured the Solomon Islands Broadcasting Corporation not to broadcast reports about the situation on Bougainville.

A weekly newspaper, THE SOLOMON STAR, has reported that a report prepared for broadcast by the corporation last Wednesday was not used following intervention by Prime Minister Solomon Mamaloni.

The newspaper said the report was about a meeting between Solomon Islands' deputy prime minister, Sir Beddeley Devesi, and the Papua New Guinea foreign minister, Sir Michael Somare about the Bougainville issue.

It is understood that staff of the Solomons national broadcaster are annoyed that the prime minister chose not to use provisions available to him under the law in last Wednesday's intervention. Legislation covering the broadcasting gives the prime minister the prerogative to order an item not to be broadcast as long as the decision is explained to parliament.